



# Journal of the House

State of Indiana

113th General Assembly

First Regular Session

Twenty-first Meeting Day

Wednesday Morning

February 19, 2003

The House convened at 10:30 a.m. with the Speaker in the Chair.

The invocation was offered by Representative Dennie Oxley II.

The Pledge of Allegiance to the Flag was led by Representative Brian C. Bosma.

The Speaker ordered the roll of the House to be called:

T. Adams	Kromkowski
Aguilera	Kruse
Alderman	Kuzman
Austin	LaPlante
Avery	L. Lawson
Ayres	Lehe
Bardon	Leonard
Becker	Liggett
Behning	J. Lutz
Bischoff	Lytle
Borror	Mahern
Bosma	Mangus
Bottorff	Mays
C. Brown	McClain
T. Brown	Moses
Buck	Murphy
Budak	Neese
Buell	Noe
Burton	Orentlicher
Cheney	Oxley
Cherry	Pelath
Chowning	Pflum
Cochran	Pierce
Crawford	Pond
Crooks	Porter
Day	Reske
Denbo	Richardson
Dickinson	Ripley
Dobis	Robertson
Duncan	Ruppel
Dvorak	Saunders
Espich	Scholer
Foley	V. Smith
Frenz	Stevenson
Friend	Stilwell
Frizzell	Stine
Fry	Stutzman
GiaQuinta	Summers
Goodin	Thomas
Grubb	Thompson
Gutwein	Torr
Harris	Turner
Hasler	Ulmer
Heim	Weinzapfel
Herrell	Welch
Hinkle	Whetstone
Hoffman	Wolkins
Kersey	D. Young
Klinker	Yount
Koch	Mr. Speaker

Roll Call 136: 100 present. The Speaker announced a quorum in attendance.

## HOUSE MOTION

Mr. Speaker: I move that when we do adjourn, we adjourn until Thursday, February 20, 2003, at 10:00 a.m.

MAHERN

Motion prevailed.

The House recessed until the fall of the gavel.

## RECESS

The House reconvened at 3:00 p.m. with the Speaker in the Chair.

## REPORTS FROM COMMITTEES

### COMMITTEE REPORT

Mr. Speaker: Your Committee on Ways and Means, to which was referred House Bill 1155, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 1, delete lines 1 through 6, begin a new paragraph and insert: "SECTION 1. IC 6-3.5-1.1-2, AS AMENDED BY P.L. 178-2002, SECTION 52, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 2. (a) The county council of any county in which the county option income tax will not be in effect on July 1 of a year under an ordinance adopted during a previous calendar year may impose the county adjusted gross income tax on the adjusted gross income of county taxpayers of its county effective July 1 of that year.

(b) Except as provided in section 2.5, 2.7, 2.8, 2.9, 3.3, 3.5, or 3.6 of this chapter, the county adjusted gross income tax may be imposed at a rate of one-half of one percent (0.5%), three-fourths of one percent (0.75%), or one percent (1%) on the adjusted gross income of resident county taxpayers of the county. Any county imposing the county adjusted gross income tax must impose the tax on the nonresident county taxpayers at a rate of one-fourth of one percent (0.25%) on their adjusted gross income. If the county council elects to decrease the county adjusted gross income tax, the county council may decrease the county adjusted gross income tax rate in increments of one-tenth of one percent (0.1%).

(c) To impose the county adjusted gross income tax, the county council must, after January 1 but before April 1 of a year, adopt an ordinance. The ordinance must substantially state the following:

"The \_\_\_\_\_ County Council imposes the county adjusted gross income tax on the county taxpayers of \_\_\_\_\_ County. The county adjusted gross income tax is imposed at a rate of \_\_\_\_\_ percent (\_\_\_\_%) on the resident county taxpayers of the county and one-fourth of one percent (0.25%) on the nonresident county taxpayers of the county. This tax takes effect July 1 of this year."

(d) Any ordinance adopted under this section takes effect July 1 of the year the ordinance is adopted.

(e) The auditor of a county shall record all votes taken on ordinances presented for a vote under the authority of this section and immediately send a certified copy of the results to the department by certified mail.

(f) If the county adjusted gross income tax had previously been adopted by a county under IC 6-3.5-1 (before its repeal on March 15, 1983) and that tax was in effect at the time of the enactment of this

chapter, then the county adjusted gross income tax continues in that county at the rates in effect at the time of enactment until the rates are modified or the tax is rescinded in the manner prescribed by this chapter. If a county's adjusted gross income tax is continued under this subsection, then the tax shall be treated as if it had been imposed under this chapter and is subject to rescission or reduction as authorized in this chapter.

SECTION 2. IC 6-3.5-1.1-3.3 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 3.3. This section applies only to a county that:**

- (1) operates a county jail that is subject to an order that:
  - (A) was issued by a federal district court before January 1, 2003; and
  - (B) has not been terminated;
- (2) operates a county jail that fails to meet:
  - (A) American Correctional Association Jail Construction Standards; and
  - (B) Indiana jail operation standards adopted by the department of correction; and
- (3) has insufficient revenue to finance the construction, acquisition, improvement, renovation, and equipping of a county jail and related buildings and parking facilities."

Page 2, line 7, delete "This subsection applies after December 31, 2003."

Page 2, line 20, delete "twenty-five" and insert "**thirty (30)**".

Page 2, line 21, delete "(25)".

Page 3, between lines 15 and 16, begin a new paragraph and insert:

"SECTION 3. IC 6-3.5-1.1-10, AS AMENDED BY P.L.157-2002, SECTION 2, AND AS AMENDED BY P.L.178-2002, SECTION 57, IS CORRECTED AND AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 10. (a) *Except as provided in subsection (b), one-half (1/2) of each adopting county's certified distribution for a calendar year shall be distributed from its account established under section 8 of this chapter to the appropriate county treasurer on May 1 and the other one-half (1/2) on November 1 of that calendar year.*

(b) *This subsection applies to a county having a population of more than one hundred forty-five thousand (145,000) but less than one hundred forty-eight thousand (148,000). Notwithstanding section 9 of this chapter, the initial certified distribution certified for a county under section 9 of this chapter shall be distributed to the county treasurer from the account established for the county under section 8 of this chapter according to the following schedule during the eighteen (18) month period beginning on July 1 of the year in which the county initially adopts an ordinance under section 2 of this chapter:*

- (1) *One-fourth (1/4) on October 1 of the year in which the ordinance was adopted.*
- (2) *One-fourth (1/4) on January 1 of the calendar year following the year in which the ordinance was adopted.*
- (3) *One-fourth (1/4) on May 1 of the calendar year following the year in which the ordinance was adopted.*
- (4) *One-fourth (1/4) on November 1 of the calendar year following the year in which the ordinance was adopted.*

*Notwithstanding section 11 of this chapter, the part of the certified distribution received under subdivision (1) that would otherwise be allocated to a civil taxing unit or school corporation as property tax replacement credits under section 11 of this chapter shall be set aside and treated for the calendar year when received by the civil taxing unit or school corporation as a levy excess subject to IC 6-1.1-18.5-17 or IC 6-1.1-19-1.7. Certified distributions made to the county treasurer for calendar years following the eighteen (18) month period described in this subsection shall be made as provided in subsection (a).*

~~(b)~~ (c) Except for:

- (1) revenue that must be used to pay the costs of operating a jail and juvenile detention center under section 2.5(d) of this chapter;
- (2) revenue that must be used to pay the costs of:
  - (A) financing, constructing, acquiring, improving,

*renovating, or equipping facilities and buildings;*

*(B) debt service on bonds; or*

*(C) lease rentals;*

*under section 2.8 of this chapter;*

*(3) revenue that must be used to pay the costs of construction, improvement, ~~or~~ renovation, or remodeling of a jail and related buildings and parking structures under section 2.7 ~~or~~ 2.9, ~~or~~ 3.3 of this chapter; ~~or~~*

~~(4)~~ *(4) revenue that must be used to pay the costs of operating and maintaining a jail and justice center under section 3.5(d) of this chapter; or*

*(5) revenue that must be used to pay the costs of constructing, acquiring, improving, renovating, or equipping a county courthouse under section 3.6 of this chapter;*

distributions made to a county treasurer under ~~subsection~~ subsections (a) and (b) shall be treated as though they were property taxes that were due and payable during that same calendar year. *Except as provided by subsection (b), the certified distribution shall be distributed and used by the taxing units and school corporations as provided in sections 11 through 15 of this chapter.*

~~(c)~~ *(d) All distributions from an account established under section 8 of this chapter shall be made by warrants issued by the auditor of the state to the treasurer of the state ordering the appropriate payments.*

SECTION 4. IC 6-3.5-1.1-11, AS AMENDED BY P.L.178-2002, SECTION 58, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 11. (a) Except for:

(1) revenue that must be used to pay the costs of operating a jail and juvenile detention center under section 2.5(d) of this chapter;

(2) revenue that must be used to pay the costs of:

(A) financing, constructing, acquiring, improving, renovating, or equipping facilities and buildings;

(B) debt service on bonds; or

(C) lease rentals;

*under section 2.8 of this chapter;*

*(3) revenue that must be used to pay the costs of construction, improvement, renovation, or remodeling of a jail and related buildings and parking structures under section 2.7, ~~or~~ 2.9, ~~or~~ 3.3 of this chapter;*

*(4) revenue that must be used to pay the costs of operating and maintaining a jail and justice center under section 3.5(d) of this chapter; or*

*(5) revenue that must be used to pay the costs of constructing, acquiring, improving, renovating, or equipping a county courthouse under section 3.6 of this chapter;*

the certified distribution received by a county treasurer shall, in the manner prescribed in this section, be allocated, distributed, and used by the civil taxing units and school corporations of the county as certified shares and property tax replacement credits.

(b) Before August 2 of each calendar year, each county auditor shall determine the part of the certified distribution for the next succeeding calendar year that will be allocated as property tax replacement credits and the part that will be allocated as certified shares. The percentage of a certified distribution that will be allocated as property tax replacement credits or as certified shares depends upon the county adjusted gross income tax rate for resident county taxpayers in effect on August 1 of the calendar year that precedes the year in which the certified distribution will be received.

The percentages are set forth in the following table:

COUNTY ADJUSTED GROSS INCOME TAX RATE	PROPERTY TAX REPLACEMENT CREDITS	CERTIFIED SHARES
0.5%	50%	50%
0.75%	33 1/3%	66 2/3%
1%	25%	75%

(c) The part of a certified distribution that constitutes property tax replacement credits shall be distributed as provided under sections 12, 13, and 14 of this chapter.

(d) The part of a certified distribution that constitutes certified shares shall be distributed as provided by section 15 of this chapter.

SECTION 11. IC 6-3.5-7-5, AS AMENDED BY P.L.192-2002(ss), SECTION 121, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 5. (a) Except as provided in subsection (c), the county economic development income tax may be imposed on the adjusted gross income of county taxpayers. The entity that may impose the tax is:

- (1) the county income tax council (as defined in IC 6-3.5-6-1) if the county option income tax is in effect on January 1 of the year the county economic development income tax is imposed;
- (2) the county council if the county adjusted gross income tax is in effect on January 1 of the year the county economic development tax is imposed; or
- (3) the county income tax council or the county council, whichever acts first, for a county not covered by subdivision (1) or (2).

To impose the county economic development income tax, a county income tax council shall use the procedures set forth in IC 6-3.5-6 concerning the imposition of the county option income tax.

(b) Except as provided in subsections (c), (g), (k), and (p), the county economic development income tax may be imposed at a rate of:

- (1) one-tenth percent (0.1%);
- (2) two-tenths percent (0.2%);
- (3) twenty-five hundredths percent (0.25%);
- (4) three-tenths percent (0.3%);
- (5) thirty-five hundredths percent (0.35%);
- (6) four-tenths percent (0.4%);
- (7) forty-five hundredths percent (0.45%); or
- (8) five-tenths percent (0.5%);

on the adjusted gross income of county taxpayers.

(c) Except as provided in subsection (h), (i), (j), (k), (l), (m), (n), (o), or (p), the county economic development income tax rate plus the county adjusted gross income tax rate, if any, that are in effect on January 1 of a year may not exceed one and twenty-five hundredths percent (1.25%). Except as provided in subsection (g) or (p), the county economic development tax rate plus the county option income tax rate, if any, that are in effect on January 1 of a year may not exceed one percent (1%).

(d) To impose, increase, decrease, or rescind the county economic development income tax, the appropriate body must, after January 1 but before April 1 of a year, adopt an ordinance. The ordinance to impose the tax must substantially state the following:

"The \_\_\_\_\_ County \_\_\_\_\_ imposes the county economic development income tax on the county taxpayers of \_\_\_\_\_ County. The county economic development income tax is imposed at a rate of \_\_\_\_\_ percent (\_\_\_\_ %) on the county taxpayers of the county. This tax takes effect July 1 of this year."

(e) Any ordinance adopted under this chapter takes effect July 1 of the year the ordinance is adopted.

(f) The auditor of a county shall record all votes taken on ordinances presented for a vote under the authority of this chapter and shall, not more than ten (10) days after the vote, send a certified copy of the results to the commissioner of the department by certified mail.

(g) This subsection applies to a county having a population of more than one hundred forty-eight thousand (148,000) but less than one hundred seventy thousand (170,000). Except as provided in subsection (p), in addition to the rates permitted by subsection (b), the:

- (1) county economic development income tax may be imposed at a rate of:
  - (A) fifteen-hundredths percent (0.15%);
  - (B) two-tenths percent (0.2%); or
  - (C) twenty-five hundredths percent (0.25%); and
- (2) county economic development income tax rate plus the county option income tax rate that are in effect on January 1 of a year may equal up to one and twenty-five hundredths percent (1.25%);

if the county income tax council makes a determination to impose rates under this subsection and section 22 of this chapter.

(h) For a county having a population of more than forty-one thousand (41,000) but less than forty-three thousand (43,000), except

as provided in subsection (p), the county economic development income tax rate plus the county adjusted gross income tax rate that are in effect on January 1 of a year may not exceed one and thirty-five hundredths percent (1.35%) if the county has imposed the county adjusted gross income tax at a rate of one and one-tenth percent (1.1%) under IC 6-3.5-1.1-2.5.

(i) For a county having a population of more than thirteen thousand five hundred (13,500) but less than fourteen thousand (14,000), except as provided in subsection (p), the county economic development income tax rate plus the county adjusted gross income tax rate that are in effect on January 1 of a year may not exceed one and fifty-five hundredths percent (1.55%).

(j) For a county having a population of more than seventy-one thousand (71,000) but less than seventy-one thousand four hundred (71,400), except as provided in subsection (p), the county economic development income tax rate plus the county adjusted gross income tax rate that are in effect on January 1 of a year may not exceed one and five-tenths percent (1.5%).

(k) This subsection applies to a county having a population of more than twenty-seven thousand four hundred (27,400) but less than twenty-seven thousand five hundred (27,500). Except as provided in subsection (p), in addition to the rates permitted under subsection (b):

- (1) the county economic development income tax may be imposed at a rate of twenty-five hundredths percent (0.25%); and
- (2) the sum of the county economic development income tax rate and the county adjusted gross income tax rate that are in effect on January 1 of a year may not exceed one and five-tenths percent (1.5%);

if the county council makes a determination to impose rates under this subsection and section 22.5 of this chapter.

(l) For a county having a population of more than twenty-nine thousand (29,000) but less than thirty thousand (30,000), except as provided in subsection (p), the county economic development income tax rate plus the county adjusted gross income tax rate that are in effect on January 1 of a year may not exceed one and five-tenths percent (1.5%).

(m) For:

- (1) a county having a population of more than one hundred eighty-two thousand seven hundred ninety (182,790) but less than two hundred thousand (200,000); or
- (2) a county having a population of more than forty-five thousand (45,000) but less than forty-five thousand nine hundred (45,900);

except as provided in subsection (p), the county economic development income tax rate plus the county adjusted gross income tax rate that are in effect on January 1 of a year may not exceed one and five-tenths percent (1.5%).

(n) For a county having a population of more than six thousand (6,000) but less than eight thousand (8,000), except as provided in subsection (p), the county economic development income tax rate plus the county adjusted gross income tax rate that are in effect on January 1 of a year may not exceed one and five-tenths percent (1.5%).

(o) This subsection applies to a county having a population of more than thirty-nine thousand (39,000) but less than thirty-nine thousand six hundred (39,600). Except as provided in subsection (p), in addition to the rates permitted under subsection (b):

- (1) the county economic development income tax may be imposed at a rate of twenty-five hundredths percent (0.25%); and
- (2) the sum of the county economic development income tax rate and:

- (A) the county adjusted gross income tax rate that are in effect on January 1 of a year may not exceed one and five-tenths percent (1.5%); or
- (B) the county option income tax rate that are in effect on January 1 of a year may not exceed one and twenty-five hundredths percent (1.25%);

if the county council makes a determination to impose rates under this subsection and section 24 of this chapter.

(p) In addition:

(1) the county economic development income tax may be imposed at a rate that exceeds by not more than twenty-five hundredths percent (0.25%) the maximum rate that would otherwise apply under this section; and

(2) the:

(A) county economic development income tax; and

(B) county option income tax or county adjusted gross income tax;

may be imposed at combined rates that exceed by not more than twenty-five hundredths percent (0.25%) the maximum combined rates that would otherwise apply under this section.

However, the additional rate imposed under this subsection may not exceed the amount necessary to mitigate the increased ad valorem property taxes on homesteads (as defined in IC 6-1.1-20.9-1) resulting from the deduction of the assessed value of inventory in the county under IC 6-1.1-12-41 or IC 6-1.1-12-42.

(q) If the county economic development income tax is imposed as authorized under subsection (p) at a rate that exceeds the maximum rate that would otherwise apply under this section, the certified distribution must be used for the purpose provided in section 25(e) or 26 of this chapter to the extent that the certified distribution results from the difference between:

(1) the actual county economic development tax rate; and

(2) the maximum rate that would otherwise apply under this section.

(r) Except as provided in subsection (p), the county economic development income tax rate plus the county adjusted gross income tax rate that are in effect on January 1 of a year may not exceed one and five-tenths percent (1.5%) if the county has imposed the county adjusted gross income tax under IC 6-3.5-1.1-3.3.

SECTION 6. [EFFECTIVE UPON PASSAGE] (a) As used in this SECTION, "department" refers to the department of state revenue.

(b) Notwithstanding IC 6-3.5-1.1-3, the county council of a county described in IC 6-3.5-1.1-3.3, as added by this act, may adopt an ordinance to increase the county's county adjusted gross income tax rate after March 31, 2003, and before January 1, 2004.

(c) Notwithstanding IC 6-3.5-1.1-3, an ordinance adopted under this SECTION before June 1, 2003, takes effect July 1, 2003. In determining the certified distribution for the calendar year beginning January 1, 2004, as required under IC 6-3.5-1.1-9 to be performed before July 2, 2003, for a county adopting an ordinance within the time specified in this subsection, the department shall take into account the certified ordinance forwarded to the department under IC 6-3.5-1.1-3(c) in determining the amount of the county's certified distribution for the calendar year beginning January 1, 2004.

(d) Notwithstanding IC 6-3.5-1.1-3, an ordinance adopted under this SECTION after May 31, 2003, and before January 1, 2004, takes effect January 1, 2004. Not later than thirty (30) days after receiving the certified ordinance under IC 6-3.5-1.1-3(c) from a county adopting an ordinance within the time specified in this subsection, the department shall revise the county's certified distribution determined under IC 6-3.5-1.1-9 for the calendar year beginning January 1, 2004, to take into account the increased county adjusted gross income tax rate specified in the certified ordinance. Notwithstanding IC 6-3.5-1.1-10, as amended by this act, the first distribution reflecting the increased county adjusted gross income tax rate shall be made to the county treasurer beginning November 1, 2004."

Renumber all SECTIONS consecutively.

(Reference is to HB 1155 as introduced.)

and when so amended that said bill do pass.

Committee Vote: yeas 26, nays 0.

CRAWFORD, Chair

Report adopted.

#### COMMITTEE REPORT

Mr. Speaker: Your Committee on Ways and Means, to which was

referred House Bill 1552, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 21, line 2, delete "." and insert "**and providing the conservation officer with the defendant's home address.**".

Page 21, line 6, delete "do the following:".

Page 21, line 7, delete "(1) Issue" and insert "issue".

Page 21, run in lines 6 through 7.

Page 21, delete lines 8 through 22, begin a new paragraph and insert:

"(d) This subsection applies to a warrant issued under subsection (c) for the arrest of a defendant who is an Indiana resident. If the warrant is not executed within thirty (30) days after issue, the court shall promptly forward the court copy of the summons to the bureau of motor vehicles indicating that the defendant failed to appear in court as ordered. The court shall then mark the case as failure to appear on the court's records.

(e) This subsection applies to a warrant issued under subsection (c) for the arrest of a defendant who is not an Indiana resident. If the warrant is not executed within thirty (30) days after issue, the court shall promptly forward the court copy of the summons to the bureau of motor vehicles. The bureau of motor vehicles shall notify the bureau of motor vehicles commission of the state of the nonresident defendant of the defendant's failure to appear and also of any action taken by the bureau of motor vehicles relative to the Indiana driving privileges of the defendant. The court shall then mark the case as failure to appear on the court's records.

(f) If the bureau of motor vehicles receives a copy of the summons or a summons for failure to appear in court, the bureau of motor vehicles shall suspend the driving privileges of the defendant until the defendant appears in court and the case has been disposed of. The order of suspension may be served upon the defendant by mailing the order by first class mail to the defendant at the last address shown for the defendant in the records of the bureau of motor vehicles. The order takes effect on the date the order is mailed.

(g) For nonresidents of Indiana, the order of suspension shall be mailed to the defendant at the address given to the arresting conservation officer by the defendant as shown by the signed summons. The order takes effect on the date of mailing. A copy of the order shall also be sent to the bureau of motor vehicles of the state of the nonresident defendant. If:

(1) the defendant's failure to appear in court has been certified to the bureau of motor vehicles under this chapter; and

(2) the defendant subsequently appears in court to answer the charges against the defendant;

the court shall proceed to hear and determine the case in the same manner as other cases pending in the court. Upon final determination of the case, the court shall notify the bureau of motor vehicles of the determination upon forms prescribed by the bureau of motor vehicles. The notification shall be made by the court within ten (10) days after the final determination of the case, and the original copy of the summons must accompany the notification."

(Reference is to HB 1552 as printed January 31, 2003.)

and when so amended that said bill do pass.

Committee Vote: yeas 23, nays 0.

CRAWFORD, Chair

Report adopted.

#### COMMITTEE REPORT

Mr. Speaker: Your Committee on Ways and Means, to which was referred House Bill 1826, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 1, after line 17, begin a new paragraph and insert:

"**Sec. 2. As used in this chapter, "felony" means a crime that would qualify as a felony if committed by an individual.**"

Page 2, line 1, delete "2." and insert "3."

Page 2, line 1, delete "a" and insert "the following:".

Page 2, delete lines 2 through 7, begin a new line block indented and insert:

- (1) An exemption granted under IC 6-1.1-10-29 (out-of-state manufactured property exemption).
- (2) A deduction granted under IC 6-1.1-12-41 (local option inventory deduction).
- (3) A deduction granted under IC 6-1.1-12-42 (statewide inventory deduction).
- (4) A deduction granted under IC 6-1.1-12.1 (tax abatement).
- (5) Tax increment revenues (as defined in IC 12-19-1.5-7) in an allocation area (as defined in IC 12-19-1.5-1) to the extent the tax increment revenues were not pledged, with the approval of the governing body (as defined in IC 12-19-1.5-3) to pay an obligation (as defined in IC 12-19-1.5-4)."

Page 2, line 8, delete "3." and insert "4.".

Page 2, line 10, delete ":" and insert "commits a felony under the laws of Indiana or the United States if:

- (1) an act that is an element of the felony occurred in Indiana at a location, related to sales, involving an investment, using employees, or involving a business enterprise that accrued a tax benefit; and
- (2) the corporation is later convicted of the felony in a court with criminal jurisdiction over the crime."

Page 2, delete lines 11 through 19.

Page 2, line 30, after "liability." insert "However, an action to collect a delinquent tax and any related interest and penalties resulting from the application of this section must be initiated not later than three (3) years after the date that the corporation's conviction is final and unappealable."

Page 2, delete lines 36 through 42.

Page 3, delete lines 1 through 30.

Page 3, line 32, delete "sections 3 and" and insert "section".

Page 3, line 34, delete "sections 3 and" and insert "section".

Page 3, between lines 40 and 41, begin a new paragraph and insert:

"SECTION 3. IC 6-1.1-12.1-4.8 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 4.8. (a) This section applies to any deduction application that is filed with the county auditor or the department of local government finance after the date required for the deduction application.

(b) After June 30, 2003, the county auditor and department of local government finance may accept the late filed deduction application if the designating body granting the deduction adopts a resolution that authorizes the acceptance of the deduction application.

(c) A certified copy of the resolution must accompany the late filed deduction application.

(d) The late filing of a deduction application results in a reduction of the deduction as follows:

- (1) Two percent (2%) if filed less than thirty (30) days after the date required by law.
- (2) Ten percent (10%) if filed thirty (30) or more days after the date required by law."

Page 4, between lines 14 and 15, begin a new paragraph and insert:

"Sec. 1. As used in this chapter, "felony" means a crime that would qualify as a felony if committed by an individual."

Page 4, line 15, delete "1." and insert "2.".

Page 4, line 15, delete "a" and insert "the following:".

Page 4, delete lines 16 through 19, begin a new line block indented and insert:

- (1) Research expense credit under IC 6-3.1-4.
- (2) Investment credit under IC 6-3.1-5.
- (3) Enterprise zone interest credit under IC 6-3.1-7.
- (4) Enterprise zone investment cost credit under IC 6-3.1-10.
- (5) Industrial recovery tax credit under IC 6-3.1-11.
- (6) Military base recovery tax credit under IC 6-3.1-11.5.

(7) Economic development for a growing economy tax credit under IC 6-3.1-13.

(8) Capital investment tax credit under IC 6-3.1-13.5.

(9) Indiana riverboat building credit under IC 6-3.1-17.

(10) Rerefined lubrication oil facility credit under IC 6-3.1-22.2.

(11) Voluntary remediation tax credit under IC 6-3.1-23."

Page 4, line 20, delete "2." and insert "3.".

Page 4, line 22, delete ":" and insert "commits a felony under the laws of Indiana or the United States if:

- (1) an act that is an element of the felony occurred in Indiana at a location, related to sales, involving an investment, using employees, or involving a business enterprise that accrued a tax benefit; and
- (2) the corporation is later convicted of the felony in a court with criminal jurisdiction over the crime."

Page 4, delete lines 23 through 31.

Page 4, line 42, after "liability." insert "However, an action to collect a delinquent tax and any related interest and penalties resulting from the application of this section must be initiated not later than three (3) years after the date that the corporation's conviction is final and unappealable."

Page 5, delete lines 6 through 40.

Page 5, line 42, delete "sections 2 and" and insert "section".

Page 6, line 2, delete "sections 2 and" and insert "section".

Page 6, line 9, after "(a)" insert " Subject to subsection (c),".

Page 6, line 11, delete "June 30," and insert "December 31,".

Page 6, line 12, after "(b)" insert " Subject to subsection (c),".

Page 6, after line 13, begin a new paragraph and insert:

"(c) IC 6-1.1-2.5 and IC 6-3.1-1.5, both as added by this act, do not apply to the following:

(1) Felonies committed before January 1, 2004.

(2) A multiyear tax benefit (as defined in IC 6-1.1-2.5 and IC 6-3.1-1.5, both as added by this act), if receipt of the tax benefits was conditioned on an agreement entered into before January 1, 2004, by the taxpayer and a governmental entity."

Renumber all SECTIONS consecutively.

(Reference is to HB 1826 as introduced.)

and when so amended that said bill do pass.

Committee Vote: yeas 26, nays 0.

CRAWFORD, Chair

Report adopted.

## HOUSE BILLS ON SECOND READING

### House Bill 1492

Representative Reske called down House Bill 1492 for second reading. The bill was read a second time by title. There being no amendments, the bill was ordered engrossed.

### House Bill 1356

Representative V. Smith called down House Bill 1356 for second reading. The bill was read a second time by title. There being no amendments, the bill was ordered engrossed.

### House Bill 1253

Representative V. Smith called down House Bill 1253 for second reading. The bill was read a second time by title. There being no amendments, the bill was ordered engrossed.

### House Bill 1151

Representative Lytle called down House Bill 1151 for second reading. The bill was read a second time by title.

HOUSE MOTION  
(Amendment 1151-1)

Mr. Speaker: I move that House Bill 1151 be amended to read as follows:

Page 5, line 6, reset in roman "or".

Page 5, line 8, delete "or".

Page 5, delete lines 9 through 11.

Page 5, delete lines 17 through 21, begin a new paragraph and insert:

"(d) A person:

(1) who:

(1) (A) professes to the public to be a crematory authority; or

(2) (B) operates a building or structure in Indiana as a crematory;

without being registered under section 22 of this chapter; or

(2) who fails to file an annual report required under section 24 of this chapter;

commits a Class A misdemeanor."

(Reference is to HB 1151 as printed February 11, 2003.)

LYTLE

Motion prevailed. The bill was ordered engrossed.

## House Bill 1018

Representative Frenz called down House Bill 1018 for second reading. The bill was read a second time by title.

### HOUSE MOTION (Amendment 1018-1)

Mr. Speaker: I move that House Bill 1018 be amended to read as follows:

Page 2, after line 11, begin a new paragraph and insert:

SECTION 1. IC 6-9-35 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]:

#### Chapter 35. Home Rule Financing

Sec. 1. This chapter applies to a municipality that has not imposed a food and beverage tax under this article.

Sec. 2. Except as otherwise provided, the definitions in IC 36-1-2 apply throughout this chapter.

Sec. 3. As used in this chapter, "bonds" has the meaning set forth in IC 5-1-11-1.

Sec. 4. As used in this chapter, "department" refers to the department of state revenue.

Sec. 5. As used in this chapter, "obligations" has the meaning set forth in IC 5-1-3-1(b).

Sec. 6. (a) The legislative body of a municipality may adopt an ordinance to impose an excise tax known as the municipal food and beverage tax on transactions described in section 10 of this chapter.

(b) Before a municipal legislative body may adopt an ordinance to impose a municipal food and beverage tax under this chapter, the legislative body must hold a public hearing on the proposed ordinance. Notice of the time, date, and place of the public hearing must be given in accordance with IC 5-3-1.

(c) A municipal food and beverage tax may be imposed at a rate of:

(1) one-quarter of one percent (0.25%);

(2) one-half of one percent (0.5%);

(3) three-quarters of one percent (0.75%); or

(4) one percent (1%);

of the gross retail income received by a merchant from a transaction described in section 10 of this chapter. For purposes of this chapter, the gross retail income received by the retail merchant from a transaction does not include the amount of tax imposed on the transaction under IC 6-2.5.

(d) The municipal food and beverage tax applies to transactions that occur after the last day of the month that succeeds the month in which the ordinance was adopted.

Sec. 7. (a) Except as provided in subsection (b), the legislative body of a municipality that has imposed a municipal food and beverage tax under this chapter may adopt an ordinance to decrease the municipal food and beverage tax rate.

(b) If the municipality has outstanding bonds, leases, obligations, or other evidences of indebtedness that are payable from a municipal food and beverage tax imposed under this chapter, the legislative body may not decrease the municipal food and beverage tax rate below a rate that would produce one

and twenty-five hundredths (1.25) times the total of the highest annual payment requirements due on those bonds, leases, obligations, or other evidences of indebtedness, to their final maturity.

(c) For purposes of subsection (b), the determination of a tax rate sufficient to produce one and twenty-five hundredths (1.25) times the total of the highest annual payment requirements shall be based on an average of the municipal food and beverage tax collections for the immediately preceding three (3) years if the municipal food and beverage tax has been imposed for the immediately preceding three (3) years. If the municipal food and beverage tax has not been imposed for the immediately preceding three (3) years, the tax may not be reduced below a rate that would produce one and twenty-five hundredths (1.25) times the total of the highest annual payment requirements due on those bonds, leases, obligations, or other evidences of indebtedness, based upon a study by a qualified public accountant or financial adviser.

Sec. 8. The legislative body of a municipality that has imposed a municipal food and beverage tax under this chapter may adopt an ordinance to repeal the municipal food and beverage tax if no bonds, leases, obligations, or other evidences of indebtedness of the municipality that are payable from the municipal food and beverage tax are outstanding.

Sec. 9. The clerk of a municipality that has adopted an ordinance under this chapter shall immediately send a certified copy of the ordinance to the department.

Sec. 10. (a) Except as provided in subsection (c), a municipal food and beverage tax imposed under section 6 of this chapter applies to a transaction in which food or beverage is furnished, prepared, or served:

(1) for consumption at a location, or on equipment, provided by a retail merchant;

(2) in the municipality in which the tax is imposed; and

(3) by a retail merchant for consideration.

(b) Transactions described in subsection (a)(1) include transactions in which food or beverage is:

(1) served by a retail merchant off the merchant's premises;

(2) sold by a retail merchant that ordinarily bags, wraps, or packages the food or beverage for immediate consumption on or near the retail merchant's premises, including food or beverage sold on a "take out" or "to go" basis; or

(3) sold by a street vendor.

(c) The municipal food and beverage tax does not apply to the furnishing, preparing, or serving of a food or beverage in a transaction that is exempt, or to the extent the transaction is exempt, from the state gross retail tax imposed by IC 6-2.5.

Sec. 11. (a) A municipal food and beverage tax imposed under this chapter shall be imposed, paid, and collected in the same manner that the state gross retail tax is imposed, paid, and collected under IC 6-2.5. However, the return to be filed with the payment of the tax imposed under this chapter may be made on a separate return or may be combined with the return filed for the payment of the state gross retail tax, as prescribed by the department.

(b) Within sixty (60) days following the end of each calendar year, the department shall notify the municipal fiscal officer of the total amount of municipal food and beverage taxes paid in the municipality for that calendar year.

(c) The department is entitled to retain an administrative fee each month for the collection and distribution of revenues from a municipal food and beverage tax imposed under this chapter. The administrative fee is one-tenth of one percent (0.1%) of the total municipal food and beverage taxes collected in the municipality for that month.

(d) The administrative fee retained by the department under this section may only be used to pay the administrative costs of the department incurred in the collection and distribution of a municipal food and beverage tax imposed under this chapter.

Sec. 12. The amounts received from a municipal food and beverage tax imposed under this chapter shall be paid monthly

by the treasurer of state to the municipal fiscal officer upon warrants issued by the auditor of state.

Sec. 13. (a) The fiscal officer of a municipality that has imposed a municipal food and beverage tax under this chapter shall establish a municipal food and beverage tax receipts fund into which all amounts received monthly from the treasurer of state under this chapter shall be deposited.

(b) Money earned from the investment of money in the fund becomes a part of the fund.

Sec. 14. (a) Revenue derived from the imposition of a municipal food and beverage tax under this chapter may be treated by the municipality as additional revenue for the purpose of fixing its budget for the budget year during which the revenues are to be distributed to the municipality.

(b) The department of local government finance may not reduce a municipality's:

- (1) property tax levy for a particular year; or
- (2) maximum property tax levy;

by the amount of revenue received from a municipal food and beverage tax imposed under this chapter.

Sec. 15. A municipality may use revenues from the imposition of a municipal food and beverage tax under this chapter for one (1) or more of the following purposes:

- (1) To reduce the municipality's property tax levy for the ensuing budget year.
- (2) To provide property tax relief to taxpayers or classes of taxpayers, to the extent permitted by the Constitution of the State of Indiana.
- (3) To pay debt service or lease rentals on:
  - (A) bonds;
  - (B) leases;
  - (C) obligations; or
  - (D) any other evidence of indebtedness of the municipality.
- (4) To pay the costs of any capital project approved by the legislative body.

Sec. 16. (a) Bonds, obligations, or other evidences of indebtedness issued under this chapter:

- (1) are payable solely from revenues received under this chapter, any other moneys legally available for that purpose, or any combination of these sources; and
- (2) may, in the discretion of the municipality, be sold at a negotiated sale at a price to be determined by the municipality or in accordance with IC 5-1-11 and IC 5-3-1.

(b) Leases entered into under this chapter:

- (1) may be for a term not to exceed fifty (50) years;
- (2) may provide for payments from revenues received under this chapter, any other revenues available to the municipality, or any combination of these sources;
- (3) may provide that payments by the municipality to the lessor are required only to the extent and only for the time that the lessor is able to provide the leased facilities in accordance with the lease;
- (4) must be based upon the value of the facilities leased; and
- (5) may not create a debt of the municipality for purposes of the Constitution of the State of Indiana.

(c) The legislative body of a municipality that has imposed a municipal food and beverage tax under this chapter may enter into a lease only after a public hearing at which all interested parties are provided the opportunity to be heard. After the public hearing, the legislative body may approve the execution of the lease on behalf of the municipality only if the legislative body finds that the service to be provided throughout the life of the lease will serve the public purpose of the municipality and is in the best interests of its residents.

(d) Upon executing a lease under this section, the municipal legislative body shall publish notice of the execution of the lease and the approval of the lease in accordance with IC 5-3-1.

(e) An action to contest the validity of bonds issued or leases entered into under this section may be brought not later than thirty (30) days after the adoption of a bond ordinance or notice

of the execution and approval of the lease, as applicable.

(f) A pledge of revenues under this chapter is enforceable under IC 5-1-14.4.

Sec. 17. The general assembly covenants with each municipality that imposes a municipal food and beverage tax under this chapter and the purchasers and owners of bonds, leases, obligations, or any other evidences of indebtedness of a municipality payable from a municipal food and beverage tax imposed under this chapter that the general assembly will not repeal or amend this chapter in any manner that will adversely affect the imposition or collection of a municipal food and beverage tax imposed under this chapter so long as the principal, interest, or lease rentals due under bonds, leases, obligations, or other evidences of indebtedness of a municipality that are payable from a municipal food and beverage tax imposed under this chapter remain unpaid.

SECTION 2. An emergency is declared for this act.

(Reference is to HB as printed February 11, 2003.)

FOLEY

Representative Pelath rose to a point of order, citing Rule 117.2, stating that the motion was not timely filed. The Speaker ruled the point was well taken and the motion was out of order.

There being no further amendments, the bill was ordered engrossed.

### House Bill 1001

Representative Crawford called down House Bill 1001 for second reading. The bill was read a second time by title.

HOUSE MOTION  
(Amendment 1001-22)

Mr. Speaker: I move that House Bill 1001 be amended to read as follows:

Page 113, between lines 29 and 30, begin a new paragraph and insert:

"SECTION 59. IC 9-29-3-14, AS AMENDED BY P.L.176-2001, SECTION 27, AND AS AMENDED BY P.L.291-2001, SECTION 190, IS AMENDED AND CORRECTED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 14. (a) The service charge for an identification card issued under IC 9-24 is

- (1) ~~one-half (1/2) of each fee collected plus~~ fifty cents (\$0.50) and one-half (1/2) of each fee collected as set forth in IC 9-29-9-15. ~~during 2002 and 2003; and~~
- (2) ~~one-half (1/2) of each fee collected as set forth in IC 9-29-9-15 during 2004 and thereafter.~~

(b) Fifty cents (\$0.50) of each service charge collected under subsection (a) ~~during 2002 and 2003~~ shall be deposited in the state motor vehicle technology fund established by IC 9-29-16-1.

SECTION 60. IC 9-29-16-5, AS ADDED BY P.L.176-2001, SECTION 33, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 5. The fund consists of the following:

- (1) Fifty cents (\$0.50) of each service charge or fee collected by license branches ~~during 2002 and 2003~~ under the following:

- (A) IC 9-29-3-4.
- (B) IC 9-29-3-6.
- (C) IC 9-29-3-7.
- (D) IC 9-29-3-8.
- (E) IC 9-29-3-9.
- (F) IC 9-29-3-10.
- (G) IC 9-29-3-11.
- (H) IC 9-29-3-12.
- (I) IC 9-29-3-14.
- (J) IC 9-29-3-18.
- (K) IC 9-29-15-1.
- (L) IC 9-29-15-4.

(2) Money deposited with the approval of the budget agency in the fund from any part of:

- (A) a service fee established under IC 9-29-3-19; or
- (B) an increase of a service fee increased under IC 9-29-3-19.



(3) Money received from any other source, including appropriations."

Renumber all SECTIONS consecutively.

(Reference is to HB 1001 as printed February 17, 2003.)

CRAWFORD

Motion prevailed.

# HOUSE MOTION (Amendment 1001-21)

Mr. Speaker: I move that House Bill 1001 be amended to read as follows:

Page 11, line 26, delete "(IC 32-9-1.5-33)" and insert **"(IC 32-34-1-33)"**.

Page 13, delete line 24, begin a new line double block indented and insert:

**"SCHOOL AND LIBRARY INTERNET CONNECTION"**.

Page 27, line 23, delete "INDIANA" and insert **"PROFESSIONAL"**.

Page 27, line 24, delete "3,466,214 3,466,214" and insert **"1,863,216 1,863,216"**.

Page 27, line 25, delete "1,493,457 1,493,457" and insert **"638,365 638,365"**.

Page 27, between lines 31 and 32, begin a new line blocked left and insert:

## **"FOR THE HEALTH PROFESSIONS BUREAU**

**Personal Services 2,394,538 2,394,538**

**Other Operating Expense 855,092 855,092**

**Augmentation allowed in amounts not to exceed additional revenue from fee increases enacted after January 1, 2001."**

Page 52, line 34, delete "1,286,700,000 1,395,500,000" and insert **"1,209,600,000 1,209,600,000"**.

Page 61, delete lines 46 through 49.

Page 62, delete lines 1 through 10.

Page 73, line 44, delete "1,555,023,720 1,536,057,054" and insert **"1,655,023,720 1,636,057,054"**.

Page 73, delete lines 45 through 47.

Page 74, line 3, after "assembly." insert **"The auditor of state shall transfer from amounts retained in the Tobacco Master Settlement Agreement Fund (IC 4-12-1-14.3) to the Property Tax Replacement Fund one hundred million dollars (\$100,000,000) in the state fiscal year beginning July 1, 2003, and ending June 30, 2004, and one hundred million dollars (\$100,000,000) in the state fiscal year beginning July 1, 2004, and ending June 30, 2005."**

Page 74, line 4, after "appropriations" insert **"and transfers"**.

Page 74, line 4, after "Settlement" insert **"Agreement"**.

Page 74, line 5, delete "IC 4-12-1-14.3" and insert **"IC 4-12-1-14.3(f)"**.

Page 77, line 45, before "In" insert **"Of the foregoing appropriations, \$825,000 shall be allocated to the buddy system each state fiscal year during the biennium."**

Page 80, delete lines 36 through 49.

Page 81, delete lines 1 through 12.

Page 86, line 9, delete "243,281,368" and insert **"240,790,180"**.

Page 86, line 29, delete "451,646,137" and insert **"449,154,949"**.

Page 93, delete lines 40 through 50.

Page 94, delete lines 1 through 38.

Page 95, line 1, after "shall" insert **"only"**.

Page 95, line 6, delete "Before July 1, 2005, the remainder of the money transferred under this"

Page 95, delete lines 7 through 8.

Page 95, line 9, delete "teachers' retirement fund."

Page 99, line 29, delete "."

Page 99, delete lines 30 through 32.

Page 99, line 33, delete "(2) after June 30, 2005,".

Page 99, line 33, delete "one hundred percent (100%) of".

Page 99, run in lines 29 through 35.

Page 99, line 36, delete "percentage of the".

Page 99, line 36, delete "to which".

Page 99, line 37, delete "the entity is entitled under subdivision (1) or (2), as applicable,".

Page 99, line 41, reset in roman "exceed".

Page 99, line 41, delete "exceeds the percentage of".

Page 99, line 41, delete "to which the entity is" and insert ";

Page 99, line 42, delete "entitled under subsection (j);".

Page 99, line 46, delete "and" and insert ";

Page 99, line 46, delete "." and insert **", and (j) and IC 4-33-13-5(f)"**.

Page 100, delete lines 28 through 32, begin a new line double block indented and insert:

**"(2) fifty percent (50%) of the difference between the entity's base year revenue (as determined under IC 4-33-12-6) and the total amount of money distributed to the entity during the preceding state fiscal year beginning July 1, 2002, and ending June 30, 2003, under IC 4-33-12-6."**

Page 100, delete lines 40 through 44, begin a new line double block indented and insert:

**"(2) fifty percent (50%) of the difference between the entity's base year revenue (as determined under IC 4-33-12-6) and the total amount of money distributed to the entity during the preceding state fiscal year beginning July 1, 2003, and ending June 30, 2004, under IC 4-33-12-6."**

Page 103, line 38, after "2003," insert **"and before July 1, 2005,"**.

Page 103, between lines 44 and 45, begin a new line block indented and insert:

**"After June 30, 2005, thirty-three million dollars (\$33,000,000) of tax revenues collected in a state fiscal year under this chapter shall be distributed as revenue sharing under subsection (d)."**

Page 104, line 34, reset in roman "2003".

Page 104, line 34, after "2003" insert **", and August 15,"**.

Page 104, line 38, after "riverboat." insert **"Before August 15, 2005, and August 15 of each year thereafter, the treasurer of state shall distribute the thirty-three million dollars (\$33,000,000) of revenue sharing provided under subsection (a)(1) to the county treasurer of each county that does not have a riverboat according to the ratio that the county's population bears to the total population of the counties that do not have a riverboat."**

Page 105, line 7, reset in roman "2003".

Page 105, line 7, delete "2006".

Page 105, line 10, delete "percentage of the".

Page 105, line 11, reset in roman "(as determined under IC 4-33-12-6),"

Page 105, line 11, delete "to which the entity is entitled under IC 4-33-12-6(j)(2),"

Page 105, line 13, delete "The" and insert **"After June 30, 2003, and before July 1, 2005, the amount of the supplemental distribution is equal to fifty percent (50%) of the difference between the entity's base year revenue (as determined under IC 4-33-12-6) and the total amount of money distributed to the entity during the preceding state fiscal year under IC 4-33-12-6. After June 30, 2005, the"**

Page 105, line 14, delete "percentage of the".

Page 105, line 14, reset in roman "(as".

Page 105, line 15, reset in roman "determined under IC 4-33-12-6)".

Page 105, line 15, delete "to which the entity is entitled under IC 4-33-12-6(j)(2)".

Page 122, line 33, delete "(IC 21-2-11.5-2)" and insert **"(IC 21-2-11.5-2))"**.

Page 123, line 3, delete "or school bus replacement fund under IC 21-2-11-4".

Page 136, line 49, delete "January 10, 2003," and insert **"May 1, 2003,"**.

Page 137, delete lines 17 through 37.

Page 140, between lines 27 and 28, begin a new paragraph and insert:

**"SECTION 122. [EFFECTIVE JULY 1, 2003] The trustees of Indiana State University may issue and sell bonds under IC 20-12-6, subject to the approvals required by IC 20-12-5.5, for the following project if the sum of principal costs of any bond**



issued, excluding amounts necessary to provide money for debt service reserves, credit enhancement, or other costs incidental to the issuance of the bonds, does not exceed the total authority listed below for the Indiana State University:

**INDIANA STATE UNIVERSITY**

University Hall Renovation and  
Business School A&E

2,240,000

SECTION 123. [EFFECTIVE JULY 1, 2003] The trustees of Ball State University may issue and sell bonds under IC 20-12-6, subject to the approvals required by IC 20-12-5.5, for the following project if the sum of principal costs of any bond issued, excluding amounts necessary to provide money for debt service reserves, credit enhancement, or other costs incidental to the issuance of the bonds, does not exceed the total authority listed below for the Ball State University:

**BALL STATE UNIVERSITY**

Communication Building A&E

1,470,000".

Page 140, line 35, delete "[EFFECTIVE UPON PASSAGE]" and insert "[EFFECTIVE JULY 1, 2002 (RETROACTIVE)]".

Page 140, line 43, delete "Before" and insert "After June 30, 2002, and before".

Page 140, line 44, after "fund." insert "If any money was transferred before June 30, 2003, in a manner that is inconsistent with this subsection, the treasurer of state shall take the necessary action to restore the money to the abandoned property fund and transfer the money as required under subsection (a)."

Renumber all SECTIONS consecutively.

(Reference is to HB 1001 as printed February 17, 2003.)

CRAWFORD

Upon request of Representatives Bosma and Turner, the Speaker ordered the roll of the House to be called. Roll Call 137: yeas 54, nays 44. Motion prevailed.

**HOUSE MOTION**  
(Amendment 1001-23)

Mr. Speaker: I move that House Bill 1001 be amended to read as follows:

Page 69, line 8, delete "30,977,000 32,477,000" and insert "35,236,000 36,699,000".

(Reference is to HB 1001 as printed February 17, 2003.)

CRAWFORD

Motion prevailed.

**HOUSE MOTION**  
(Amendment 1001-6)

Mr. Speaker: I move that House Bill 1001 be amended to read as follows:

Page 92, between lines 32 and 33, begin a new paragraph and insert:

"SECTION 39. IC 2-2.1-4 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]:

**Chapter 4. Budget Bills**

Sec. 1. As used in this chapter, "general appropriation" refers to an appropriation described in section 10 of this chapter.

Sec. 2. Except as provided in sections 4 and 5 of this chapter, all of the general appropriations enacted by the general assembly for a state fiscal year, including appropriations for a state fiscal year made by a continuing appropriation enacted in any law, are void if the total of general appropriations for the state fiscal year exceeds ninety-nine percent (99%) of the state revenue that the budget agency estimates under section 6 of this chapter will be available in the state fiscal year to pay for the appropriations. This section applies to all of the general appropriations enacted for a state fiscal year regardless of whether the appropriations were enacted in the same bill or in the same session of the general assembly.

Sec. 3. The general appropriations enacted in one (1) particular bill are void if:

(1) the bill includes appropriations for a state fiscal year, including increases in the appropriations for a state fiscal year, that total at least one hundred million dollars

(\$100,000,000); and

(2) the last version of the bill available to and voted on by each legislator or, if a later conference committee report was adopted for the bill, the last conference committee report available to and adopted by each legislator does not include the following information on the first or second page of the bill or in the bill's digest or synopsis:

(A) A materially accurate and complete explanation indicating the dollar amount of the surplus or deficit resulting from subtracting the total of all general appropriations made for each state fiscal year affected by the bill or conference committee report from the estimate of state revenue for that state fiscal year.

(B) A materially accurate and complete explanation indicating the percentage of the state revenue for each state fiscal year affected by the bill or conference committee report that is appropriated for general appropriations payable in that state fiscal year.

Sec. 4. Sections 2 and 3 of this chapter do not void an appropriation for a purpose described in IC 4-10-15 for which expenditures may be made without the enactment of an appropriation.

Sec. 5. (a) An appropriation that otherwise must be considered in complying with section 2 or 3 of this chapter shall be excluded from all computations related to determining compliance with section 2 or 3 of this chapter only if:

(1) the general assembly, in a regular session, authorizes an emergency appropriation by enacting a supplemental appropriations act that contains all the statements described in subsection (b); and

(2) the act is approved by a two-thirds (2/3) majority of the house of representatives and a two-thirds (2/3) majority of the senate.

(b) To satisfy subsection (a)(1), an act must contain the following:

(1) A statement describing which appropriations in the act are excluded from the application of sections 2 and 3 of this chapter.

(2) A description of the additional amount of emergency appropriations and an explanation of the specific circumstances that created the need for a supplemental appropriation.

Sec. 6. (a) For each state fiscal year, the budget agency shall compute an estimate of state revenue using the formula established in section 7 of this chapter. An estimate for the two (2) years of a biennial budget period shall be computed before December 31 of the even-numbered year immediately preceding the beginning of the budget period. The first estimate required under this subsection is the estimate for the budget period beginning July 1, 2005, which shall be computed before December 31, 2004.

(b) For the second state fiscal year in a budget period, the budget agency shall revise the estimate of state revenue using the formula established in section 7 of this chapter. The revision of the estimate for the second year of a budget period shall be prepared before December 31 of the odd-numbered year immediately preceding the second state fiscal year in the budget period. The first revision required under this subsection is the revision for the second year of the budget period beginning July 1, 2005, which shall be computed before December 31, 2005.

(c) The budget agency may revise an estimate calculated under subsection (a) or a revised estimate calculated under subsection (b) after the estimate is distributed. A revision under this subsection must be prepared not later than fifteen (15) days before either chamber of the general assembly adjourns a session sine die.

(d) The revenue forecast technical committee shall assist the budget agency in the preparation of state revenue estimates under this section.

(e) The last estimate computed under this section and distributed under section 8 of this chapter before the adjournment of a session applies to all appropriations enacted

before the end of that session.

(f) The last estimate computed under this section and distributed under section 8 of this chapter before a version of a bill or a later conference committee report for a bill is printed applies to all appropriations affected by that version of a bill or conference committee report.

Sec. 7. The estimated state revenue for a state fiscal year is the amount determined under STEP THREE of the following formula:

**STEP ONE:** Determine the general revenues available for the state fiscal year, which is equal to the estimated revenues from all sources that are:

(A) forecast by the revenue forecast technical committee to be received in the immediately following budget period; and

(B) required by law to be deposited in the state general fund or the property tax replacement fund;

including revenues from gross retail taxes, utility receipts taxes, adjusted gross income taxes, cigarette taxes, taxes on alcoholic beverages, riverboat wagering taxes, riverboat admissions taxes, inheritance taxes, insurance premium taxes, financial institution taxes, interest, and other miscellaneous income other than revenues described in section 5(b)(1) of this chapter.

**STEP TWO:** Determine the total of net adjustments to be made to the general revenues for the state fiscal year, which is the amount determined under clause (I) of the following formula:

(A) Determine the disproportionate share and enhanced disproportionate share revenues that will be received by the state in the state fiscal year.

(B) Determine the inter-fund transfers to be made from the build Indiana fund to the state general fund or the property tax replacement fund in the state fiscal year.

(C) Determine the inter-fund transfers to be made from the counter-cyclical revenue and economic stabilization fund to the state general fund or the property tax replacement fund in the state fiscal year.

(D) Determine the sum of the amounts determined under clauses (A) through (C).

(E) Determine the inter-fund transfers to be made from the state general fund or the property tax replacement fund to the build Indiana fund in the state fiscal year.

(F) Determine the inter-fund transfers to be made from the state general fund or the property tax replacement fund to the counter-cyclical revenue and economic stabilization fund in the state fiscal year.

(G) Determine the amount included in the amount determined under STEP ONE that results from any of the following:

(i) An extraordinary nonrecurring transfer into the state general fund or the property tax replacement fund from a source other than the state general fund or the property tax replacement fund.

(ii) A distribution from the federal government that may be expended without an appropriation by the general assembly, other than a distribution described in clause (A).

(H) Determine the sum of the amounts determined under clauses (E) through (G).

(I) Subtract the amount determined under clause (H) from the amount determined under clause (D).

**STEP THREE: If:**

(A) the STEP TWO amount is zero (\$0), the estimated state revenues for the state fiscal year is the STEP ONE amount;

(B) the STEP TWO amount is greater than zero (\$0), the estimated state revenues for the state fiscal year is the sum of the STEP ONE amount and the STEP TWO amount; and

(C) the STEP TWO amount is less than zero (\$0), the estimated state revenues for the state fiscal year is the

result of the STEP ONE amount minus the absolute value of the STEP TWO amount.

Sec. 8. (a) Not earlier than December 1 and not later than the first session day of the general assembly after December 31 of each even-numbered year, the budget agency shall submit in writing to the executive director of the legislative services agency a report that includes at least the following information:

(1) The estimated state revenue for each of the state fiscal years in the immediately following biennial budget period.

(2) The supporting data and calculations necessary for a person to independently verify the manner in which the estimates of state revenue described in subdivision (1) were determined.

(b) Not earlier than December 1 and not later than the first session day of the general assembly after December 31 in each odd-numbered year, the budget agency shall submit in writing to the executive director of the legislative services agency a report that includes at least the following information:

(1) The estimated state revenue for the second state fiscal year in the current budget period.

(2) The supporting data and calculations necessary for a person to independently verify the manner in which the estimate of state revenue described in subdivision (1) was determined.

(c) Not later than three (3) days (including Saturday, Sunday, or any holiday) after the budget agency revises an estimate of state revenue distributed under subsection (a) or subsection (b), the budget agency shall submit in writing to the executive director of the legislative services agency a report that includes at least the following information:

(1) The revised estimated state revenue for the state fiscal years affected by the report.

(2) The supporting data and calculations necessary for a person to independently verify the manner in which the revised estimates of state revenue described in subdivision (1) were determined.

Sec. 9. (a) The budget agency shall compute the dollar amount of the total of general appropriations from the state general fund and the property tax replacement fund for each state fiscal year for which an appropriation is made or being considered:

(1) each time that a bill or conference committee report described in section 3 of this chapter is being considered for final action by either chamber of the general assembly; and

(2) not later than thirty (30) days after the adjournment sine die of a session of the general assembly.

(b) While the general assembly is in session, written reports containing at least the total dollar amount of general appropriations must be delivered to the executive director of the legislative services agency in a format and on a schedule that allows bills and conference committee reports described in section 3 of this chapter to be printed without delay with the information required under that section.

(c) Within thirty-five (35) days after a session of the general assembly adjourns sine die, a written report containing at least the total dollar amount of general appropriations must be delivered to the executive director of the legislative services agency. A report required by this subsection must be delivered not later than five (5) regular business days after it is computed.

Sec. 10. The total of general appropriations from the state general fund and the property tax replacement fund for a state fiscal year is equal to the amount determined under STEP THREE of the following formula:

**STEP ONE:** Determine the total amount that is authorized by appropriation for payment or transfer from the state general fund or the property tax replacement fund in the state fiscal year, regardless of the bill or session in which the appropriation is or is to be enacted.

**STEP TWO:** Determine the total amount included in the STEP ONE amount that is appropriated from the state general fund or the property tax replacement fund for:

(1) settlements and judgments;

(2) transfers between accounts in the state general fund,

accounts in the property tax replacement fund, or the state general fund and the property tax replacement fund;

(3) the distribution of tax refunds or refundable tax credits; or

(4) any purpose to the extent that money described in section 7, STEP TWO (G)(ii) of this chapter (distribution from the federal government that may be expended without an appropriation) is to fund the appropriation.

**STEP THREE:** Subtract the STEP TWO amount from the STEP ONE amount.

**Sec. 11. (a)** That part of an appropriation that is an open-ended appropriation exceeding a specific amount appropriated for a purpose is not to be considered in computing general appropriations under section 10 of this chapter.

**(b)** For purposes of section 10 of this chapter, a descriptive appropriation that does not authorize a specific amount for expenditure in a state fiscal year is to be estimated as the maximum amount that the budget agency estimates may be expended in the state fiscal year for the purposes of the appropriation.

**(c)** For purposes of section 10 of this chapter, if an appropriation of a specific amount is made for a period exceeding one (1) state fiscal year, fifty percent (50%) of the appropriated amount is to be allocated as a general appropriation for each state fiscal year in a budget period.

**(d)** For purposes of section 10 of this chapter, language that only authorizes a person to issue bonds, enter into a loan agreement, enter into a lease, or enter into another agreement shall not be treated as an appropriation unless the general assembly otherwise appropriates money to pay for or repay the authorized obligations.

**(e)** For purposes of complying with section 3 of this chapter but not section 2 of this chapter, only appropriations:

(1) that have been enacted into law;

(2) that are contained in the bill or conference committee report in which appropriation surplus or deficit is to be printed;

(3) that were previously passed by both houses of the general assembly in the same session as the bill or conference committee report in which appropriation surplus or deficit is to be printed; or

(4) that are contained in any other bill that by rule of the house of representatives or the senate must be considered in complying with section 3 of this chapter;

shall be considered in computing the total of general appropriations under section 10 of this chapter.

**SECTION 40. IC 4-10-21-0.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]:** Sec. 0.5. As used in this chapter, "general expenditures" refers to an expenditure from the state general fund or the property tax replacement fund that is authorized by a general appropriation subject to IC 2-2.1-4, other than any part of an appropriation excluded under IC 2-2.1-4-5.

**SECTION 41. IC 4-10-21-1, AS ADDED BY P.L.192-2002(ss), SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]:** Sec. 1. As used in this chapter, "state spending cap" refers:

(1) for state fiscal years ending before July 1, 2005, to the state spending cap determined under section 2 of this chapter; and

(2) for state fiscal years beginning after June 30, 2005, to the maximum amount that may be appropriated for general appropriations in a state fiscal year under IC 2-2.1-4.

**SECTION 42. IC 4-10-21-2, AS ADDED BY P.L.192-2002(ss), SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]:** Sec. 2. (a) For the state fiscal year beginning July 1, 2003, and ending June 30, 2004, the state spending cap is equal to the result determined under STEP THREE of the following formula:

**STEP ONE:** Determine the sum of the total of the appropriations made from the state general fund and the property tax replacement fund (including continuing appropriations) for the state fiscal year beginning July 1, 2002, and ending June 30, 2003.

**STEP TWO:** Subtract from the STEP ONE result two hundred forty-three million dollars (\$243,000,000), which is the amount of certain reversions made by state agencies.

**STEP THREE:** Multiply the STEP TWO result by one and thirty-five thousandths (1.035).

**(b)** For the state fiscal year beginning July 1, 2004, and ending June 30, 2005, the state spending cap is equal to the product of the result determined under subsection (a) multiplied by one and thirty-five thousandths (1.035).

**(c)** The state spending cap for a state fiscal year beginning after June 30, 2005, is equal to the product of the state spending growth quotient for the state fiscal year determined under section 3 of this chapter multiplied by the state spending cap for the immediately preceding state fiscal year.

**(d)** The state spending cap imposed under this section is increased in the initial state fiscal year in which the state receives additional revenue for deposit in the state general fund or property tax replacement fund as a result of the enactment of a law that:

(1) establishes a new tax or fee after June 30, 2002;

(2) increases the rate of a previously enacted tax or fee after June 30, 2002; or

(3) reduces or eliminates an exemption, a deduction, or a credit against a previously enacted tax or fee after June 30, 2002.

The amount of the increase is equal to the average revenue that the budget agency estimates will be raised by the legislative action in the initial two (2) full state fiscal years in which the legislative change is in effect.

**(e)** The state spending cap imposed under this section is decreased in the initial state fiscal year in which the state is affected by a decrease in revenue deposited in the state general fund or property tax replacement fund as the result of the enactment of a law that:

(1) eliminates a tax or fee after June 30, 2002;

(2) eliminates any part of a tax rate or fee after June 30, 2002; or

(3) establishes or increases an exemption, a deduction, or a credit against a tax or fee after June 30, 2002.

The amount of the decrease is equal to the average revenue that the budget agency estimates will be lost as a result of the legislative action in the initial two (2) full state fiscal years in which the legislative change is in effect.

**(f) This section expires July 1, 2005.**

**SECTION 43. IC 4-10-21-5, AS ADDED BY P.L.192-2002(ss), SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]:** Sec. 5. (a) The maximum total amount that may be expended in a state fiscal year from the state general fund, the property tax replacement fund, and the counter-cyclical revenue and economic stabilization fund is the least of the following:

(1) Subject to sections 6 and 7 of this chapter, the state spending cap for the state fiscal year.

(2) The amount appropriated by the general assembly from the state general fund, the property tax replacement fund, and the counter-cyclical revenue and economic stabilization fund.

(3) The amount of money available in the state general fund, the property tax replacement fund, and the counter-cyclical revenue and economic stabilization fund to pay expenditures.

**(b)** Subject to sections 6 and 7 of this chapter, if the state spending cap for the state fiscal year is less than the amount appropriated by the general assembly in the state fiscal year from the state general fund, the property tax replacement fund, and the counter-cyclical revenue and economic stabilization fund, the budget agency shall reduce the amounts available for expenditure from the state general fund, the property tax replacement fund, and the counter-cyclical revenue and economic stabilization fund in the state fiscal year by using the procedures in IC 4-13-2-18.

**(c) This section expires July 1, 2005.**

**SECTION 44. IC 4-10-21-5.1 IS ADDED TO THE INDIANA**

CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: **Sec. 5.1. (a) After June 30, 2005, the maximum total amount that may be expended for general expenditures in a state fiscal year is the least of the following:**

- (1) The state spending cap for the state fiscal year.**
  - (2) The amount appropriated by the general assembly from the state general fund or the property tax replacement fund for general expenditures.**
  - (3) The amount of money available in the state general fund or the property tax replacement fund to pay general expenditures.**
- (b) If the state spending cap for the state fiscal year is less than the amount appropriated by the general assembly for general expenditures in the state fiscal year, when all open-ended appropriations and nonspecific descriptive appropriations are considered, the budget agency shall reduce the amounts available for general expenditures to avoid a total amount of general expenditures that exceed the state spending cap by using the procedures set forth in IC 4-13-2-18.**

SECTION 45. IC 4-10-21-6, AS ADDED BY P.L.192-2002(ss), SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: **Sec. 6. (a) The following expenditures that would otherwise be subject to this chapter shall be excluded from all computations and determinations related to a state spending cap:**

- (1) Expenditures derived from money deposited in the state general fund, the property tax replacement fund, and the counter-cyclical revenue and economic stabilization fund from any of the following:**
  - (A) Gifts.**
  - (B) Federal funds.**
  - (C) Dedicated funds.**
  - (D) Intergovernmental transfers.**
  - (E) Damage awards.**
  - (F) Property sales.**
- (2) Expenditures for any of the following:**
  - (A) Transfers of money among the state general fund, the property tax replacement fund, and the counter-cyclical revenue and economic stabilization fund.**
  - (B) Reserve fund deposits.**
  - (C) Refunds of intergovernmental transfers.**
  - (D) Payment of judgments against the state and settlement payments made to avoid a judgment against the state, other than a judgment or settlement payment for failure to pay a contractual obligation or a personnel expenditure.**
  - (E) Distributions or allocations of state tax revenues to a unit of local government under IC 36-7-13, IC 36-7-26, IC 36-7-27, IC 36-7-31, or IC 36-7-31.3.**
  - (F) Motor vehicle excise tax replacement payments that are derived from amounts transferred to the state general fund from the lottery and gaming surplus account of the build Indiana fund.**
  - (G) Distributions of state tax revenues collected under IC 7.1 that are payable to cities and towns.**

**(b) This section expires July 1, 2005.**

SECTION 46. IC 4-10-21-7, AS ADDED BY P.L.192-2002(ss), SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: **Sec. 7. (a) An appropriation otherwise subject to the state spending cap limitation imposed by section 5 of this chapter shall be treated as exempt from the state spending cap limitation only if the general assembly specifically exempts the appropriation from the state spending cap in clear and unambiguous language contained in the bill making the appropriation.**

**(b) The following language shall be treated as meeting the requirements of subsection (a):**

"The general assembly waives the state spending cap limitation imposed by IC 4-10-21-5 for the state fiscal year beginning July 1, (insert the applicable year), and ending June 30, (insert the applicable year), for the following appropriation: (insert the language of the appropriation). Notwithstanding IC 4-10-21-5(a)(1), the budget agency may allot appropriations for the appropriation without making any reduction under

IC 4-10-21-5(b)."

(c) Language in a bill such as "Notwithstanding IC 4-10-21" or "IC 4-10-21 does not apply to this appropriation" shall not be treated as meeting the requirements of subsection (a). The budget agency may consider the language described in this subsection or other language that does not meet the requirements of subsection (a) only in determining which appropriations to make available for expenditure under section 5(b) of this chapter.

**(d) This section expires July 1, 2005.**

SECTION 47. IC 4-10-21-8, AS ADDED BY P.L.192-2002(ss), SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: **Sec. 8. (a) Not earlier than December 1 and not later than the first session day of the general assembly after December 31 of each even-numbered year, the budget agency shall submit a report in writing to the executive director of the legislative services agency that includes at least the following information:**

- (1) The state spending cap for each of the state fiscal years in the immediately following biennial budget period.**
- (2) The supporting data and calculations necessary for a person to independently verify the manner in which the state spending caps described in subdivision (1) were determined.**

**(b) This section expires July 1, 2005."**

Page 141, between lines 3 and 4, begin a new paragraph and insert:

"SECTION 134. THE FOLLOWING ARE REPEALED [EFFECTIVE JULY 1, 2003]: IC 4-10-21-3; IC 4-10-21-4.

SECTION 135. [EFFECTIVE JULY 1, 2003] **(a) As used in this SECTION, "commission" refers to the government efficiency commission established by subsection (c).**

**(b) As used in this SECTION, "state educational institution" has the meaning set forth in IC 20-12-0.5.**

**(c) The government efficiency commission is established.**

**(d) The commission consists of the following members:**

- (1) One (1) cochairperson appointed before July 16, 2003, by the president pro tempore of the senate.**
- (2) One (1) cochairperson appointed before July 16, 2003, by the speaker of the house of representatives.**
- (3) Ten (10) members appointed before August 16, 2003, by the president pro tempore of the senate.**
- (4) Ten (10) members appointed before August 16, 2003, by the speaker of the house of representatives.**

**(e) The following may not be members of the commission:**

- (1) An elected or appointed state or local official.**
- (2) An employee or a person receiving a pension or other retirement benefit related to service to any of the following:**
  - (A) A state educational institution.**
  - (B) A school corporation or a charter school.**
  - (C) The state or any agency of the state.**
- (3) A person who has a direct business relationship with any of the following:**
  - (A) A state educational institution.**
  - (B) A public school corporation.**
  - (C) The state or any agency of the state.**
  - (D) An elected or appointed state agency official.**
  - (E) The general assembly or any of its members.**

**(f) A member of the commission is not entitled to a salary per diem.**

**(g) A member of the commission is entitled to reimbursement for traveling expenses and other expenses actually incurred in connection with the member's duties, as provided in the legislative council's travel policies and procedures.**

**(h) The commission shall meet upon the call of the cochairpersons.**

**(i) The cochairpersons may advise the president pro tempore of the senate and the speaker of the house of representatives concerning the appointment of other members of the commission.**

**(j) A quorum of the commission must be present to conduct business. A quorum consists of a majority of the voting members appointed to the commission.**

**(k) The commission may not take an official action unless the official action has been approved by at least a majority of the**

voting members appointed to serve on the commission.

(l) The cochairpersons shall establish and appoint commission members to four (4) subcommittees as follows:

- (1) The K-12 education subcommittee.
- (2) The higher education subcommittee.
- (3) The Medicaid and human services subcommittee.
- (4) The general government subcommittee.

(m) The cochairpersons shall name the chairperson of each subcommittee.

(n) The commission shall do the following:

- (1) Review all state funded agencies, departments, and programs.
- (2) Make recommendations to improve efficiency and reduce waste or other unnecessary costs associated with any state funded agency, department, or program.

(o) The following persons shall serve as staff advisers to the commission:

- (1) The state budget director.
- (2) The commissioner of the commission for higher education.
- (3) The Indiana state board of education administrator.
- (4) The executive director of the legislative services agency.

(p) The commission shall provide its final recommendations before December 31, 2004, to the following:

- (1) The governor.
- (2) The general assembly.

(q) This SECTION expires January 1, 2005."

Renumber all SECTIONS consecutively.

(Reference is to HB 1001 as printed February 17, 2003.)

BOSMA

Upon request of Representatives Bosma and Espich, the Speaker ordered the roll of the House to be called. Roll Call 138: yeas 49, nays 51. Motion failed.

#### HOUSE MOTION (Amendment 1001-10)

Mr. Speaker: I move that House Bill 1001 be amended to read as follows:

Page 73, line 42, delete "2,006,826,280" and insert "**2,056,828,280**".

Page 73, line 44, delete "1,555,023,720 1,536,057,054" and insert "**1,605,023,720 1,636,057,054**".

Page 73, delete lines 45 through 47.

Page 74, line 3, delete "The above".

Page 74, delete lines 4 through 5.

(Reference is to HB 1001 as printed February 17, 2003.)

T. BROWN

Upon request of Representatives T. Brown and Bosma, the Speaker ordered the roll of the House to be called. Roll Call 139: yeas 49, nays 50. Motion failed.

#### HOUSE MOTION (Amendment 1001-17)

Mr. Speaker: I move that House Bill 1001 be amended to read as follows:

Page 103, line 36, delete "Before July 1, 2003, the" and insert "The".

Page 103, line 37, delete "in a state fiscal year".

Page 103, line 37, reset in roman "set aside for".

Page 103, line 37, delete "deposited in the state general fund".

Page 103, delete lines 38 through 40.

Page 103, line 41, delete "collected in a state fiscal year under this chapter shall be distributed as".

Page 103, run in lines 37 through 42.

Page 103, delete lines 43 through 44.

Page 104, line 34, reset in roman "2003".

Page 104, line 34, delete "2004".

Page 104, line 35, reset in roman "wagering taxes set aside for".

Page 104, line 35, delete "amount of".

Page 104, line 35, delete "available for distribution in the state fiscal".

Page 104, line 36, delete "year".

Page 104, line 36, reset in roman "(a)(1)".

Page 104, line 36, delete "(a)(1)(A)".

(Reference is to HB 1001 as printed February 17, 2003.)

FRIEND

Upon request of Representatives Friend and Bosma, the Speaker ordered the roll of the House to be called. Roll Call 140: yeas 49, nays 49. Motion failed.

#### HOUSE MOTION (Amendment 1001-18)

Mr. Speaker: I move that House Bill 1001 be amended to read as follows:

Page 123, delete lines 10 through 50.

Delete page 124, begin a new paragraph and insert:

"SECTION 80. IC 21-3-1.7-6.7, AS AMENDED BY P.L.111-2002, SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 6.7. (a) For each school corporation, the index used in subsection (b) is determined under the following STEPS:

STEP ONE: Determine the greater of zero (0) or the result of the following:

(1) Multiply the school corporation's at risk index by ~~twenty-three hundredths (0.23) in 2002 and~~ twenty-five hundredths (0.25). ~~in 2003-~~

(2) Divide the result under subdivision (1) by three thousand seven hundred thirty-six ten-thousandths (0.3736).

(3) Subtract ~~three hundred sixty-four ten-thousandths (0.0364) in 2002 and~~ three hundred ninety-five ten-thousandths (0.0395) ~~in 2003~~ from the result under subdivision (2).

STEP TWO: Determine the greater of zero (0) or the result of the following:

(1) Multiply the percentage of the school corporation's students who were eligible for free lunches in the school year ending in 2001 by ~~twenty-three hundredths (0.23) in 2002 and~~ twenty-five hundredths (0.25). ~~in 2003-~~

(2) Divide the result under subdivision (1) by seven hundred twenty-three thousandths (0.723).

STEP THREE: Determine the greater of zero (0) or the result of the following:

(1) Multiply the percentage of the school corporation's students who were classified as limited English proficient in the school year ending in 2000 by ~~twenty-three hundredths (0.23) in 2002 and~~ twenty-five hundredths (0.25). ~~in 2003-~~

(2) Divide the result under subdivision (1) by one thousand seven hundred fifteen ten-thousandths (0.1715).

STEP FOUR: Determine the result of:

(1) the sum of the results in STEPS ONE through THREE;

divided by

(2) three (3).

STEP FIVE: Determine the result of one (1) plus the STEP FOUR result.

(b) A school corporation's target revenue per ADM for a calendar year is the result determined under STEP SIX of the following formula:

STEP ONE: Determine the result under clause (B) of the following formula:

(A) Determine the result of:

(i) four thousand ~~four six~~ hundred ~~forty~~ dollars (~~\$4,440~~) (**\$4,600**) in ~~2002 2004~~ and four thousand ~~five six~~ hundred ~~sixty~~ fifty dollars (~~\$4,560~~) (**\$4,650**) in ~~2003; 2005;~~ multiplied by

(ii) the index determined for the school corporation under subsection (a).

(B) Multiply the clause (A) result by the school corporation's adjusted ADM for the current year.

STEP TWO: Divide the school corporation's previous year revenue by the school corporation's adjusted ADM for the previous year.

STEP THREE: Multiply the subsection (a) STEP FIVE result by the following:

(A) If the STEP TWO result is not more than:

- (i) four thousand ~~four~~ **six** hundred ~~forty~~ **forty** dollars (~~\$4,440~~) (**\$4,600**) in 2002; **2004**; and  
 (ii) four thousand ~~five~~ **six** hundred ~~sixty~~ **fifty** dollars (~~\$4,560~~) (**\$4,650**) in 2003; **2005**;  
 multiply by ~~ninety~~ **forty** dollars (~~\$90~~); (**\$40**).

(B) If the STEP TWO result is:

- (i) more than four thousand ~~four~~ **six** hundred ~~forty~~ **forty** dollars (~~\$4,440~~) (**\$4,600**) and not more than five thousand ~~five~~ **eight** hundred twenty-five dollars (~~\$5,525~~) (**\$5,825**) in 2002; **2004**; or  
 (ii) more than four thousand ~~five~~ **six** hundred ~~sixty~~ **fifty** dollars (~~\$4,560~~) (**\$4,650**) and not more than five thousand eight hundred twenty-five dollars (~~\$5,825~~) in 2003; **2005**;  
 multiply by the result under clause (C).

(C) Determine the result of:

- (i) The STEP TWO result minus four thousand ~~four~~ **six** hundred ~~forty~~ **forty** dollars (~~\$4,440~~) (**\$4,600**) in 2002 **2004** and four thousand ~~five~~ **six** hundred ~~sixty~~ **fifty** dollars (~~\$4,560~~) (**\$4,650**) in 2003; **2005**.  
 (ii) Divide the item (i) result by one thousand ~~eighty-five~~ **two hundred twenty-five** dollars (~~\$1,085~~) (**\$1,225**) in 2002 **2004** and one thousand ~~two one~~ **seventy-five** dollars (~~\$1,265~~) (**\$1,175**) in 2003; **2005**.  
 (iii) Multiply the item (ii) result by forty dollars (\$40).  
 (iv) ~~Subtract the item (iii) result from ninety dollars (\$90).~~

(D) If the STEP TWO result is more than

- (i) ~~five thousand five hundred twenty-five dollars (\$5,525)~~ in 2002; and  
 (ii) ~~five thousand eight hundred twenty-five dollars (\$5,825)~~, in 2003;

multiply by ~~fifty~~ **forty** dollars (~~\$50~~); (**\$40**).

STEP FOUR: Add the STEP TWO result and the STEP THREE result.

STEP FIVE: Determine the ~~greatest~~ **greater** of the following:

- (A) Multiply the STEP FOUR result by the school corporation's adjusted ADM for the current year.  
 (B) ~~Multiply the school corporation's previous year revenue by one and two-hundredths (1.02).~~  
 (C) ~~(B)~~ The STEP ONE amount.

STEP SIX: Divide the STEP FIVE amount by the school corporation's adjusted ADM for the current year."

Page 125, delete lines 1 through 25.

Page 126, line 21, delete "seventy-one" and insert "**seventy-two and seven-tenths**".

Page 126, line 21, delete "(\$0.71)" and insert "(\$0.727)".

Page 126, line 22, delete "sixty-four" and insert "**sixty-seven**".

Page 126, line 22, delete "(\$0.64)" and insert "(\$0.67)".

Page 126, delete lines 42 through 50.

Page 127, delete lines 1 through 8.

Page 128, delete lines 1 through 16, begin a new paragraph and insert:

"SECTION 87. IC 21-3-2.1-7, AS ADDED BY P.L.111-2002, SECTION 9 AND P.L.178-2002, SECTION 97, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 7. The amount of the grant that a school corporation is entitled to receive for special education programs is equal to:

- (1) the nonduplicated count of pupils in programs for severe disabilities multiplied by:

(A) eight thousand ~~forty-five~~ **three hundred twenty-eight** dollars (~~\$8,045~~) (**\$8,328**) in 2002; **2004**; and

(B) eight thousand ~~two four~~ **hundred forty-six** ~~eleven~~ **eleven** dollars (~~\$8,246~~) (**\$8,411**) in 2003; **2005**; plus

- (2) the nonduplicated count of pupils in programs of mild and moderate disabilities multiplied by:

(A) two thousand ~~one two~~ **hundred eighty-three** ~~fifty-four~~ **forty-four** dollars (~~\$2,183~~) (**\$2,254**) in 2002; **2004**; and

(B) two thousand two hundred ~~thirty-eight~~ **seventy-four** dollars (~~\$2,238~~) (**\$2,274**) in 2003; **2005**; plus

- (3) the duplicated count of pupils in programs for communication disorders multiplied by

(A) ~~five hundred eighteen dollars (\$518)~~ in 2002; and

- (B) ~~five hundred thirty-one dollars (\$531)~~; in 2003; plus  
 (4) the cumulative count of pupils in homebound programs multiplied by

(A) ~~five hundred eighteen dollars (\$518)~~ in 2002; and

(B) ~~five hundred thirty-one dollars (\$531)~~. in 2003."

Renumber all SECTIONS consecutively.

(Reference is to HB 1001 as printed February 17, 2003.)

THOMPSON

Upon request of Representatives Thompson and Bosma, the Speaker ordered the roll of the House to be called. Roll Call 141: yeas 37, nays 61. Motion failed.

#### HOUSE MOTION (Amendment 1001-4)

Mr. Speaker: I move that House Bill 1001 be amended to read as follows:

Page 78, delete lines 25 through 27.

Page 128, delete lines 22 through 50.

Page 129, delete lines 1 through 2.

Renumber all SECTIONS consecutively.

(Reference is to HB 1001 as printed February 17, 2003.)

BUELL

Upon request of Representatives Buell and Bosma, the Speaker ordered the roll of the House to be called. Roll Call 142: yeas 48, nays 51. Motion failed.

#### HOUSE MOTION (Amendment 1001-20)

Mr. Speaker: I move that House Bill 1001 be amended to read as follows:

Page 21, between lines 18 and 19 begin a new line blocked left and insert:

**"Of the total amount appropriated FOR THE DEPARTMENT OF CORRECTION, the budget agency, notwithstanding IC 4-13-2-18, may not allot \$1,105,450,000 for the biennium. However, the amount which may not be allotted does not include the \$50,650,000 appropriated for Community Corrections Programs. Notwithstanding IC 4-13-2-18, the budget agency shall allot the entire appropriation for Community Corrections Programs."**

Page 92, between lines 32 and 33, begin a new paragraph and insert:

**"SECTION 39. IC 4-3-12-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 2. (a) The articles of incorporation and bylaws of the Indiana small business development corporation must provide that:**

- (1) the exclusive purpose of the corporation is to contribute to the strengthening of the economy of the state by encouraging the organization and development of new business enterprises, including technologically oriented enterprises;

- (2) the board of directors of the corporation is composed of:

(A) ~~the lieutenant governor or~~ the lieutenant governor's designee;

(B) two (2) persons appointed by the governor from recommendations provided by statewide business organizations;

(C) two (2) persons appointed by the governor to represent local host organizations of the small business development center network; and

(D) three (3) persons appointed by the governor, who must have experience in business, finance, education, entrepreneurship, or technology development; and

(E) one (1) person appointed by the governor to represent nontraditional entrepreneurs (as defined in IC 4-3-13-6);

- (3) ~~the governor shall appoint one (1) of the members of the board of directors to serve as chairman of the board at the pleasure of the governor; shall elect one (1) of the members to serve as chairperson;~~

- (4) ~~subject to subdivision (6),~~ the corporation may receive money from any source, may enter into contracts, and may expend money for any activities appropriate to its purpose;

- (5) ~~subject to subdivision (6),~~ the corporation may appoint

staff and do all other things necessary or incidental to carrying out the functions listed in section 3 of this chapter;

**(6) the exercise of the corporation's powers under this chapter is subject to the review and approval of the economic development corporation;**

~~(6)~~ **(7) any changes in the articles of incorporation or bylaws must be approved by the governor; economic development corporation;**

~~(7)~~ **(8) the corporation shall submit an annual report to the governor and to the Indiana general assembly on or before the first day of November for each year;**

~~(8)~~ **(9) the annual report shall include detailed information on the structure, operation, and financial status of the corporation;**

~~(9)~~ **(10) the corporation shall conduct an annual public hearing to receive comment from interested parties regarding the annual report, and notice of the hearing shall be given at least fourteen (14) days prior to the hearing in accordance with IC 5-14-1.5-5(b); and**

~~(10)~~ **(11) the corporation is subject to an annual audit by the state board of accounts, and the corporation shall bear the full costs of this audit.**

(b) Not more than five (5) of the members of the board of directors of the corporation may be members of the same political party.

SECTION 40. IC 4-3-13.7 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]:

#### **Chapter 13.7. Economic Development Corporation**

Sec 1. As used in this chapter, "corporation" refers to the economic development corporation established by section 2 of this chapter.

Sec 2. (a) There is established a body politic and corporate, not a state agency but an independent instrumentality exercising essential public functions, to be known as the economic development corporation.

(b) The corporation is composed of the following twenty-one (21) members, none of whom may be members of the general assembly:

(1) Three (3) persons appointed by the governor who must be employed in or retired from the private or nonprofit sector but may not represent organized labor. Appointments made under this subdivision are also subject to the requirements of subsection (c).

(2) Three (3) persons appointed by the lieutenant governor who must be employed in or retired from the private or nonprofit sector but may not represent organized labor. Appointments made under this subdivision are also subject to the requirements of subsection (c).

(3) Two (2) persons appointed by the speaker of the house of representatives who must be employed in or retired from the private or nonprofit sector. One (1) of these appointees must represent organized labor and the other appointee may not represent organized labor.

(4) Two (2) persons appointed by the minority leader of the house of representatives who must be employed in or retired from the private or nonprofit sector. One (1) of these appointees must represent organized labor and the other appointee may not represent organized labor.

(5) Two (2) persons appointed by the president pro tempore of the senate who must be employed in or retired from the private or nonprofit sector. One (1) of these appointees must represent organized labor and the other appointee may not represent organized labor.

(6) Two (2) persons appointed by the minority leader of the senate who must be employed in or retired from the private or nonprofit sector. One (1) of these appointees must represent organized labor and the other appointee may not represent organized labor.

(7) One (1) person appointed by the president of Indiana University who must be employed in or retired from the private or nonprofit sector or academia, but may not represent organized labor.

(8) One (1) person appointed by the president of Purdue

University who must be employed in or retired from the private or nonprofit sector or academia, but may not represent organized labor.

(9) One (1) person appointed by the president of Indiana State University who must be employed in or retired from the private or nonprofit sector or academia, but may not represent organized labor.

(10) One (1) person appointed by the president of Ball State University who must be employed in or retired from the private or nonprofit sector or academia, but may not represent organized labor.

(11) One (1) person appointed by the president of the University of Southern Indiana who must be employed in or retired from the private or nonprofit sector or academia, but may not represent organized labor.

(12) One (1) person appointed by the president of Ivy Tech State College who must be employed in or retired from the private or nonprofit sector or academia, but may not represent organized labor.

(13) One (1) person appointed by the president of Vincennes University who must be employed in or retired from the private or nonprofit sector or academia, but may not represent organized labor.

(c) The governor and lieutenant governor shall coordinate their appointments under subsection (b)(1) and (b)(2) so that those appointments include at least one (1) representative from each of the following industry sectors:

(1) Advanced manufacturing, such as automotive, electronics, aerospace, robotics, or engineering design technology.

(2) Information technology, such as informatics, certified network administration, software development, or fiber optics.

(3) Life sciences, such as orthopedics, medical devices, biomedical research and development, pharmaceutical manufacturing, agribusiness, nanotechnology, or molecular manufacturing.

(4) Logistics, such as high technology distribution, intermodal ports, or flow and storage of goods, services, and information.

(5) Public utilities (as defined in IC 8-1-2-1).

Sec. 3. The terms of office of the members of the corporation are as follows:

(1) Members appointed by the governor, lieutenant governor, president pro tempore of the senate, or minority leader of the senate serve for terms of four (4) years.

(2) Members appointed by the speaker of the house of representatives, the minority leader of the house of representatives, or the president of a university or college serve for terms of two (2) years.

Each member shall hold office for the term of appointment and shall continue to serve after expiration of the appointment until a successor is appointed and qualified. Members are eligible for reappointment.

Sec. 4. (a) The governor may designate a member of the corporation appointed by the governor under section 2(b)(1) of this chapter to serve as chairperson. However, if the governor does not designate a chairperson, the members shall elect a chairperson from among the members.

(b) The members of the corporation are entitled to a salary per diem for attending meetings equal to the per diem provided by law for members of the general assembly. The members of the corporation shall receive reimbursement for actual and necessary expenses on the same basis as state employees.

Sec. 5. Fourteen (14) members constitute a quorum for the transaction of business. The affirmative vote of at least eleven (11) members is necessary for any action to be taken by the corporation. Members may vote by written proxy delivered in advance to any other member who is present at the meeting.

Sec. 6. Meetings of the corporation shall be held at the call of the chairperson or whenever any five (5) members request a meeting. The members shall meet at least once every three (3)



months to attend to the business of the corporation.

Sec. 7. (a) The corporation may, without the approval of the attorney general or any other state officer, employ bond counsel, other legal counsel, technical experts, and other officers, agents, and employees, permanent or temporary, the corporation considers necessary to carry out the efficient operation of the corporation.

(b) The corporation shall determine qualifications, duties, compensation, and terms of service for persons designated in subsection (a).

(c) Employees of the corporation are not employees of the state.

Sec. 8. The corporation is granted all powers necessary or appropriate to carry out and effectuate the corporation's public and corporate purposes under this chapter.

Sec. 9. The purpose of the corporation is to improve the quality of life for the citizens of Indiana by encouraging:

- (1) the diversification of Indiana's economy;
- (2) the creation of new jobs;
- (3) the retention of existing jobs;
- (4) the growth and modernization of existing industry; and
- (5) the promotion of the state.

Sec. 10. The corporation shall be responsible for overseeing the operations of the Indiana small business development corporation under IC 4-3-12-1 and the Indiana economic development council under IC 4-3-14.

Sec. 11. The corporation may incur debt. Debt incurred by the corporation does not represent or constitute a debt of the state within the meaning of the Constitution of the State of Indiana or Indiana statutes.

SECTION 41. IC 4-3-14-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 4. (a) The articles of incorporation or bylaws of the corporation, as appropriate, must provide that:

(1) the exclusive purpose of the corporation is to contribute to the strengthening of the economy of the state by:

- (A) coordinating the activities of all parties having a role in the state's economic development through evaluating, overseeing, and appraising those activities on an ongoing basis;
- (B) overseeing the implementation of the state's economic development plan and monitoring the updates of that plan; and
- (C) educating and assisting all parties involved in improving the long range vitality of the state's economy;

(2) the board must include:

- (A) the governor;
- (B) (A) a designee of the lieutenant governor;
- (C) the chief operating officer of the corporation;
- (D) the chief operating officer of the corporation for Indiana's international future; and
- (E) (B) additional eight (8) persons appointed by the governor, not more than four (4) of whom may be of the same political party, who are actively engaged in Indiana in private enterprise, organized labor, state or local governmental agencies, and education, and who represent the diverse economic and regional interests throughout Indiana;

(3) the governor shall serve as chairman of the board of the corporation, and the lieutenant governor shall serve as the members, with the approval of the economic development corporation, shall select an chief executive officer executive director of the corporation;

(4) the governor members shall appoint elect as vice chairman of the board a member of the board engaged in private enterprise;

(5) the lieutenant governor executive director of the corporation shall be responsible as chief executive officer for overseeing implementation of the state's economic development plan as articulated by the corporation and shall oversee the activities of the corporation's chief operating officer corporation;

(6) the governor may appoint an executive committee composed of members of the board (size and structure of the executive committee shall be set by the articles and bylaws of the corporation);

(7) (6) subject to subdivision (7), the corporation may receive funds from any source and may expend funds for any activities necessary, convenient, or expedient to carry out its purposes;

(7) the exercise of the corporation's powers under this chapter is subject to the review and approval of the economic development corporation;

(8) any amendments to the articles of incorporation or bylaws of the corporation must be approved by the governor; board of the economic development corporation;

(9) the corporation shall submit an annual report to the governor and to the Indiana general assembly on or before the first day of November for each year;

(10) the corporation shall conduct an annual public hearing to receive comment from interested parties regarding the annual report, and notice of the hearing shall be given at least fourteen (14) days prior to the hearing in accordance with IC 5-14-1.5-5(b); and

(11) the corporation is subject to an annual audit by the state board of accounts, and the corporation shall bear the full costs of this audit.

(b) Subject to subsection (a)(7), the corporation may perform other acts and things necessary, convenient, or expedient to carry out the purposes identified in this section, and it has all rights, powers, and privileges granted to corporations by IC 23-17 and by common law.

SECTION 42. IC 4-4-3-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 1. As used in this chapter:

"Department" shall mean the department of commerce tourism and community development provided for by this chapter.

"Director" shall mean the director of the department.

SECTION 43. IC 4-4-3-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 2. There is hereby created a state department to be known as the department of commerce tourism and community development. The lieutenant governor, by virtue of his office, shall serve as director of the department and commissioner of agriculture, and he shall receive no additional salary in these capacities."

Page 105, between lines 16 and 17, begin a new paragraph and insert:

"SECTION 58. IC 5-10.2-2-2.5, AS AMENDED BY P.L.61-2002, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 2.5. (a) Each board may establish investment guidelines and limits on all types of investments (including, but not limited to, stocks and bonds) and take other actions necessary to fulfill its duty as a fiduciary for all assets under its control, subject to the limitations and restrictions set forth in section 18 of this chapter, IC 5-10.3-5-3, and IC 21-6.1-3-9.

(b) Each board may commingle or pool assets with the assets of any other persons or entities. This authority includes, but is not limited to, the power to invest in commingled or pooled funds, partnerships, or mortgage pools. In the event of any such investment, the board shall keep separate detailed records of the assets invested. Any decision to commingle or pool assets is subject to the limitations and restrictions set forth in section 18 of this chapter, IC 5-10.3-5-3 and IC 21-6.1-3-9.

SECTION 59. IC 5-10.2-2-18 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 18. (a) As used in this section, "alternative investment" means capital invested in the privately held equity or debt assets of a domestic or an international private business and includes investment in any of the following:

- (1) Unlisted or illiquid common and preferred stock.
- (2) Venture capital.
- (3) Corporate buyouts and acquisitions.
- (4) Restructuring, recovery, and hedge funds.
- (5) Limited and blind pool partnerships.
- (6) Special situation and private finance investments.

(7) Limited liability companies.

(8) Group trusts.

(9) Unsecured, undersecured, subordinated senior, or convertible loans or debt securities of privately held companies.

(10) Real estate investment trusts, mortgages, "turn around" situations, commercial leases, and joint ventures.

(11) Commodity trading.

(b) If the board decides to allocate part of the fund assets to alternative investments, the board shall invest at least twenty percent (20%) of the amount allocated to alternative investments in alternative investments in Indiana, except as provided in subsection (c).

(c) The board is not required to make the entire twenty percent (20%) investment referred to in subsection (b) if the board exercising financial and fiduciary prudence determines that sufficient appropriate alternative investments are not available in Indiana.

(d) If the board does not invest the entire twenty percent (20%) required by subsection (b) because the board makes a determination described in subsection (c), the board may not invest the amount that the board was not able to invest in alternative investments in Indiana in alternative investments outside Indiana. The board may invest the amount that the board was not able to invest in alternative investments in Indiana in other investments that the board determines are compatible with the board's financial and fiduciary responsibilities.

SECTION 60. IC 5-10.3-5-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 3. (a) The board shall invest its assets with the care, skill, prudence, and diligence that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character with like aims. The board shall also diversify such investments in accordance with prudent investment standards, **subject to the limitations and restrictions set forth in IC 5-10.2-2-18.**

(b) The board may invest up to five percent (5%) of the excess of its cash working balance in debentures of the corporation for innovation development subject to IC 30-4-3-3.

(c) The board is not subject to IC 4-13, IC 4-13.6, and IC 5-16 when managing real property as an investment. Any management agreements entered into by the board must ensure that the management agent acts in a prudent manner with regard to the purchase of goods and services. Contracts for the management of investment property shall be submitted to the governor, the attorney general, and the budget agency for approval. A contract for management of real property as an investment:

(1) may not exceed a four (4) year term and must be based upon guidelines established by the board;

(2) may provide that the property manager may collect rent and make disbursements for routine operating expenses such as utilities, cleaning, maintenance, and minor tenant finish needs;

(3) must establish, consistent with the board's duty under IC 30-4-3-3(c), guidelines for the prudent management of expenditures related to routine operation and capital improvements; and

(4) may provide specific guidelines for the board to purchase new properties, contract for the construction or repair of properties, and lease or sell properties without individual transactions requiring the approval of the governor, the attorney general, the Indiana department of administration, and the budget agency. However, each individual contract involving the purchase or sale of real property is subject to review and approval by the attorney general at the specific request of the attorney general.

(d) Whenever the board takes bids in managing or selling real property, the board shall require a bid submitted by a trust (as defined in IC 30-4-1-1(a)) to identify all of the following:

(1) Each beneficiary of the trust.

(2) Each settlor empowered to revoke or modify the trust."

Page 107, between lines 23 and 24, begin a new paragraph and insert:

"SECTION 61. IC 6-1.1-3-22, AS ADDED BY P.L.192-2002(ss), SECTION 28, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2004]: Sec. 22. (a) Except to the extent that it conflicts with a statute, 50 IAC 4.2 (as in effect January 1, 2001) is incorporated by reference into this section.

(b) **Subject to subsection (c)**, tangible personal property within the scope of 50 IAC 4.2 (as in effect January 1, 2001) shall be assessed on the assessment dates in calendar years 2003 and thereafter in conformity with 50 IAC 4.2 (as in effect January 1, 2001).

(c) ~~The publisher of the Indiana Administrative Code may continue to publish 50 IAC 4.2 (as in effect January 1, 2001) in the Indiana Administrative Code.~~

(c) **No minimum valuation shall be applied to the total valuation of a taxpayer's assessable depreciable personal property as described in 50 IAC 4.2-4-9 (as in effect January 1, 2001).**

(d) 50 IAC 4.3 and any other rule to the extent that it conflicts with this section is void.

(e) A reference in 50 IAC 4.2 to a governmental entity that has been terminated or a statute that has been repealed or amended shall be treated as a reference to its successor.

SECTION 62. IC 6-1.1-8-44, AS ADDED BY P.L.192-2002(ss), SECTION 29, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2004]: Sec. 44.(a) Except to the extent that it conflicts with a statute, 50 IAC 5.1 (as in effect January 1, 2001) is incorporated by reference into this section.

(b) **Subject to subsection (c)**, tangible personal property within the scope of 50 IAC 5.1 (as in effect January 1, 2001) shall be assessed on the assessment dates in calendar years 2003 and thereafter in conformity with 50 IAC 5.1 (as in effect January 1, 2001).

(c) ~~The publisher of the Indiana Administrative Code may continue to publish 50 IAC 5.1 (as in effect January 1, 2001) in the Indiana Administrative Code.~~

(c) **No minimum valuation shall be applied to the total value of a taxpayer's distributable depreciable personal property or to the total value of the taxpayer's locally assessed depreciable personal property as described in 50 IAC 5.1-6-9 (as in effect January 1, 2001).**

(d) 50 IAC 5.2 and any other rule to the extent that it conflicts with this section is void.

(e) A reference in 50 IAC 5.1 to a governmental entity that has been terminated or a statute that has been repealed or amended shall be treated as a reference to its successor."

Page 109, between lines 11 and 12, begin a new paragraph and insert:

"SECTION 66. IC 6-2.5-5-39 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 39. (a) **As used in this section, "product" includes a pilot model, a process, a formula, an invention, a technique, a patent, or a similar property. The term includes property to be used in a taxpayer's trade or business and property to be held for sale, lease, or license, regardless of whether the property is ultimately placed in service, sold, leased, or licensed.**

(b) **As used in this section, "research and development" means laboratory or experimental activity to develop or improve a product or to discover information that would eliminate uncertainty concerning the development or improvement of a product.**

(c) **The term "research and development" does not include any of the following:**

(1) **The ordinary testing or inspection of materials or products for quality control. The quality control testing to which this subdivision applies includes testing or inspection to determine whether particular units of materials or products conform to specified parameters. Quality control testing does not include testing to determine if the design of a product is appropriate.**

(2) **Efficiency surveys.**

(3) **Management studies.**

- (4) Consumer surveys.
- (5) Advertising or promotions.
- (6) The acquisition of another's patent, model, production, process, or other product.
- (7) Research in connection with literary, historical, or similar projects.
- (8) Activities to ascertain the existence, location, extent, or quality of any deposit of oil, gas, ore, or other mineral.
- (9) Assembly, construction, or installation of property that is placed in service or held for sale, lease, or license.

(d) As used in this section, "uncertainty" means the unavailability to the taxpayer of information necessary to establish the capability or method for developing or improving the product or the appropriate design of the product.

(e) Transactions involving tangible personal property are exempt from the state gross retail tax if the person acquiring the property acquires it for direct use in research and development."

Page 112, between lines 13 and 14, begin a new paragraph and insert:

"SECTION 69. IC 6-3-1-24 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2004]: Sec. 24. The term "sales" means all gross receipts of the taxpayer not allocated under ~~IC 6-3-2-2(g)~~ IC 6-3-2-2(e) through ~~IC 6-3-2-2(k)~~ IC 6-3-2-2(i), other than compensation (as defined in section 23 of this chapter).

SECTION 70. IC 6-3-2-2, AS AMENDED BY P.L. 192-2002(ss), SECTION 71, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2004]: Sec. 2. (a) With regard to corporations and nonresident persons, "adjusted gross income derived from sources within Indiana", for the purposes of this article, shall mean and include:

- (1) income from real or tangible personal property located in this state;
- (2) income from doing business in this state;
- (3) income from a trade or profession conducted in this state;
- (4) compensation for labor or services rendered within this state; and
- (5) income from stocks, bonds, notes, bank deposits, patents, copyrights, secret processes and formulas, good will, trademarks, trade brands, franchises, and other intangible personal property if the receipt from the intangible is attributable to Indiana under section 2.2 of this chapter.

In the case of nonbusiness income described in subsection (g); (e), only so much of such income as is allocated to this state under the provisions of subsections (h) (f) through (k) (i) shall be deemed to be derived from sources within Indiana. In the case of business income, only so much of such income as is apportioned to this state under the provision of subsection (b) shall be deemed to be derived from sources within the state of Indiana. In the case of compensation of a team member (as defined in section 2.7 of this chapter) only the portion of income determined to be Indiana income under section 2.7 of this chapter is considered derived from sources within Indiana. In the case of a corporation that is a life insurance company (as defined in Section 816(a) of the Internal Revenue Code) or an insurance company that is subject to tax under Section 831 of the Internal Revenue Code, only so much of the income as is apportioned to Indiana under subsection (r) is considered derived from sources within Indiana.

(b) Except as provided in subsection (h); (j), if business income of a corporation or a nonresident person is derived from sources within the state of Indiana and from sources without the state of Indiana, then the business income derived from sources within this state shall be determined by multiplying the business income derived from sources both within and without the state of Indiana by a fraction; the numerator of which is the property factor plus the payroll factor plus the sales factor. and the denominator of which is three (3). However, after a period of two (2) consecutive quarters of income growth and one (1) additional quarter (regardless of any income growth); the fraction shall be computed as follows:

- (1) For all taxable years that begin within the first calendar year immediately following the period; the numerator of the fraction is the sum of the property factor plus the payroll factor plus one

hundred thirty-three percent (133%) of the sales factor; and the denominator of the fraction is three and thirty-three hundredths (3.33).

(2) For all taxable years that begin within the second calendar year following the period; the numerator of the fraction is the property factor plus the payroll factor plus one hundred sixty-seven percent (167%) of the sales factor; and the denominator of the fraction is three and sixty-seven hundredths (3.67).

(3) For all taxable years beginning on or after January 1 of the third calendar year following the period; the numerator of the fraction is the property factor plus the payroll factor plus two hundred percent (200%) of the sales factor; and the denominator of the fraction is four (4).

For purposes of this subsection; income growth occurs when the state's nonfarm personal income for a calendar quarter increases in comparison with the state's nonfarm personal income for the immediately preceding quarter at an annualized compound rate of five percent (5%) or more; as determined by the budget agency based on current dollar figures provided by the Bureau of Economic Analysis of the United States Department of Commerce or its successor agency. The annualized compound rate shall be computed in accordance with the formula  $(1+N)^4-1$ , where N equals the percentage change in the state's current dollar nonfarm personal income from one (1) quarter to the next. As soon as possible after two (2) consecutive quarters of income growth; the budget agency shall advise the department of the growth:

(c) The property factor is a fraction; the numerator of which is the average value of the taxpayer's real and tangible personal property owned or rented and used in this state during the taxable year and the denominator of which is the average value of all the taxpayer's real and tangible personal property owned or rented and used during the taxable year. However; with respect to a foreign corporation; the denominator does not include the average value of real or tangible personal property owned or rented and used in a place that is outside the United States. Property owned by the taxpayer is valued at its original cost. Property rented by the taxpayer is valued at eight (8) times the net annual rental rate. Net annual rental rate is the annual rental rate paid by the taxpayer less any annual rental rate received by the taxpayer from subrentals. The average of property shall be determined by averaging the values at the beginning and ending of the taxable year; but the department may require the averaging of monthly values during the taxable year if reasonably required to reflect properly the average value of the taxpayer's property.

(d) The payroll factor is a fraction; the numerator of which is the total amount paid in this state during the taxable year by the taxpayer for compensation; and the denominator of which is the total compensation paid everywhere during the taxable year. However; with respect to a foreign corporation; the denominator does not include compensation paid in a place that is outside the United States. Compensation is paid in this state if:

- (1) the individual's service is performed entirely within the state;
- (2) the individual's service is performed both within and without this state; but the service performed without this state is incidental to the individual's service within this state; or
- (3) some of the service is performed in this state and:
  - (A) the base of operations or; if there is no base of operations; the place from which the service is directed or controlled is in this state; or
  - (B) the base of operations or the place from which the service is directed or controlled is not in any state in which some part of the service is performed; but the individual is a resident of this state.

(e) (c) The sales factor is a fraction, the numerator of which is the total sales of the taxpayer in this state during the taxable year, and the denominator of which is the total sales of the taxpayer everywhere during the taxable year. Sales include receipts from intangible property and receipts from the sale or exchange of intangible property. However, with respect to a foreign corporation, the denominator does not include sales made in a place that is outside the United States. Receipts from intangible personal property are derived

from sources within Indiana if the receipts from the intangible personal property are attributable to Indiana under section 2.2 of this chapter. Sales of tangible personal property are in this state if:

- (1) the property is delivered or shipped to a purchaser, other than the United States government, within this state, regardless of the f.o.b. point or other conditions of the sale; or
- (2) the property is shipped from an office, a store, a warehouse, a factory, or other place of storage in this state and:

(A) the purchaser is the United States government; or

(B) the taxpayer is not taxable in the state of the purchaser.

Gross receipts derived from commercial printing as described in IC 6-2.5-1-10 shall be treated as sales of tangible personal property for purposes of this chapter.

~~(f)~~ **(d)** Sales, other than receipts from intangible property covered by subsection ~~(e)~~ **(c)** and sales of tangible personal property, are in this state if:

- (1) the income-producing activity is performed in this state; or
- (2) the income-producing activity is performed both within and without this state and a greater proportion of the income-producing activity is performed in this state than in any other state, based on costs of performance.

~~(g)~~ **(e)** Rents and royalties from real or tangible personal property, capital gains, interest, dividends, or patent or copyright royalties, to the extent that they constitute nonbusiness income, shall be allocated as provided in subsections ~~(h)~~ **(f)** through ~~(k)~~ **(i)**.

~~(h)~~ **(f)** **(1)** Net rents and royalties from real property located in this state are allocable to this state.

(2) Net rents and royalties from tangible personal property are allocated to this state:

- (i) if and to the extent that the property is utilized in this state; or
- (ii) in their entirety if the taxpayer's commercial domicile is in this state and the taxpayer is not organized under the laws of or taxable in the state in which the property is utilized.

(3) The extent of utilization of tangible personal property in a state is determined by multiplying the rents and royalties by a fraction, the numerator of which is the number of days of physical location of the property in the state during the rental or royalty period in the taxable year, and the denominator of which is the number of days of physical location of the property everywhere during all rental or royalty periods in the taxable year. If the physical location of the property during the rental or royalty period is unknown or unascertainable by the taxpayer, tangible personal property is utilized in the state in which the property was located at the time the rental or royalty payer obtained possession.

~~(i)~~ **(g)** **(1)** Capital gains and losses from sales of real property located in this state are allocable to this state.

(2) Capital gains and losses from sales of tangible personal property are allocable to this state if:

- (i) the property had a situs in this state at the time of the sale; or
- (ii) the taxpayer's commercial domicile is in this state and the taxpayer is not taxable in the state in which the property had a situs.

(3) Capital gains and losses from sales of intangible personal property are allocable to this state if the taxpayer's commercial domicile is in this state.

~~(j)~~ **(h)** Interest and dividends are allocable to this state if the taxpayer's commercial domicile is in this state.

~~(k)~~ **(i)** **(1)** Patent and copyright royalties are allocable to this state:

- (i) if and to the extent that the patent or copyright is utilized by the taxpayer in this state; or
- (ii) if and to the extent that the patent or copyright is utilized by the taxpayer in a state in which the taxpayer is not taxable and the taxpayer's commercial domicile is in this state.

(2) A patent is utilized in a state to the extent that it is employed in production, fabrication, manufacturing, or other processing in the state or to the extent that a patented product is produced in the state. If the basis of receipts from patent royalties does not permit allocation to states or if the accounting procedures do not reflect states of utilization, the patent is utilized in the state in which the taxpayer's commercial domicile is located.

(3) A copyright is utilized in a state to the extent that printing or other publication originates in the state. If the basis of receipts from copyright royalties does not permit allocation to states or if the accounting procedures do not reflect states of utilization, the copyright is utilized in the state in which the taxpayer's commercial domicile is located.

~~(j)~~ **(j)** If the allocation and apportionment provisions of this article do not fairly represent the taxpayer's income derived from sources within the state of Indiana, the taxpayer may petition for or the department may require, in respect to all or any part of the taxpayer's business activity, if reasonable:

(1) separate accounting;

~~(2) the exclusion of any one (1) or more of the factors;~~

~~(3) (2)~~ the inclusion of one (1) or more additional factors which will fairly represent the taxpayer's income derived from sources within the state of Indiana; or

~~(4) (3)~~ the employment of any other method to effectuate an equitable allocation and apportionment of the taxpayer's income.

~~(m)~~ **(k)** In the case of two (2) or more organizations, trades, or businesses owned or controlled directly or indirectly by the same interests, the department shall distribute, apportion, or allocate the income derived from sources within the state of Indiana between and among those organizations, trades, or businesses in order to fairly reflect and report the income derived from sources within the state of Indiana by various taxpayers.

~~(n)~~ **(l)** For purposes of allocation and apportionment of income under this article, a taxpayer is taxable in another state if:

- (1) in that state the taxpayer is subject to a net income tax, a franchise tax measured by net income, a franchise tax for the privilege of doing business, or a corporate stock tax; or
- (2) that state has jurisdiction to subject the taxpayer to a net income tax regardless of whether, in fact, the state does or does not.

~~(o)~~ **(m)** Notwithstanding subsections ~~(f)~~ **(j)** and ~~(m)~~ **(k)**, the department may not, under any circumstances, require that income, deductions, and credits attributable to a taxpayer and another entity be reported in a combined income tax return for any taxable year, if the other entity is:

(1) a foreign corporation; or

(2) a corporation that is classified as a foreign operating corporation for the taxable year by section 2.4 of this chapter.

~~(p)~~ **(n)** Notwithstanding subsections ~~(f)~~ **(j)** and ~~(m)~~ **(k)**, the department may not require that income, deductions, and credits attributable to a taxpayer and another entity not described in subsection ~~(o)~~ **(l)** **(1)** or ~~(o)~~ **(l)** **(2)** be reported in a combined income tax return for any taxable year, unless the department is unable to fairly reflect the taxpayer's adjusted gross income for the taxable year through use of other powers granted to the department by subsections ~~(f)~~ **(j)** and ~~(m)~~ **(k)**.

~~(q)~~ **(o)** Notwithstanding subsections ~~(o)~~ **(m)** and ~~(p)~~ **(n)**, one (1) or more taxpayers may petition the department under subsection ~~(f)~~ **(j)** for permission to file a combined income tax return for a taxable year. The petition to file a combined income tax return must be completed and filed with the department not more than thirty (30) days after the end of the taxpayer's taxable year.

~~(r)~~ **(p)** This subsection applies to a corporation that is a life insurance company (as defined in Section 816(a) of the Internal Revenue Code) or an insurance company that is subject to tax under Section 831 of the Internal Revenue Code. The corporation's adjusted gross income that is derived from sources within Indiana is determined by multiplying the corporation's adjusted gross income by a fraction:

(1) the numerator of which is the direct premiums and annuity considerations received during the taxable year for insurance upon property or risks in the state; and

(2) the denominator of which is the direct premiums and annuity considerations received during the taxable year for insurance upon property or risks everywhere.

The term "direct premiums and annuity considerations" means the gross premiums received from direct business as reported in the corporation's annual statement filed with the department of insurance.

SECTION 71. IC 6-3-2-2.4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2004]: Sec. 2.4. (a) For purposes of section ~~2(6)~~ **2(m)** of this chapter, a corporation is a foreign operating corporation for a particular taxable year if it has eighty percent (80%) or more of its total business activity occurring outside the United States during the taxable year.

(b) For purposes of determining the amount of a corporation's business activity that occurs within the United States, the department shall determine the sum of that corporation's United States property factor and its United States payroll factor and divide that sum by two (2). If the quotient exceeds two-tenths (0.2), then less than eighty percent (80%) of the corporation's business shall be considered to have occurred outside the United States. If the quotient equals or is less than two-tenths (0.2), then eighty percent (80%) or more of the corporation's business shall be considered to have occurred outside the United States. If a corporation's United States property factor or its United States payroll factor has a denominator of zero (0), then the sum of the two (2) factors shall be divided by one (1) and not by two (2).

(c) The United States property factor of a corporation is a fraction. The numerator of the fraction is the average value of the corporation's real and tangible personal property owned or rented and used in the United States during the taxable year, and the denominator of the fraction is the average value of all the corporation's real and tangible personal property owned or rented and used anywhere in the world during the taxable year. Property owned by the corporation shall be valued at its original cost. Property rented by the corporation shall be valued at eight (8) times the net annual rental rate. The corporation's net annual rental rate is the annual rental rate paid by the corporation less any annual rental rate received by the corporation from subrentals. The average value of property shall be determined by averaging the values at the beginning and ending of the taxable year, but the department may require the averaging of monthly values during the taxable year if reasonably required to reflect properly the average value of the corporation's property.

(d) The United States payroll factor of a corporation is a fraction. The numerator of the fraction is the total compensation to individuals paid in the United States during the taxable year by the corporation, and the denominator of the fraction is the total compensation to individuals paid anywhere in the world during the taxable year by the corporation. Compensation to an individual is paid in the United States if:

- (1) the individual's service is performed entirely within the United States;
- (2) the individual's service is performed both within and outside the United States, but the service performed outside the United States is incidental to the individual's service within the United States; or
- (3) the individual is a resident of the United States, some of the service is performed in the United States, and:
  - (A) the base of operations or, if there is no base of operations, the place from which the service is directed or controlled is in the United States; or
  - (B) the base of operations or, if there is no base of operations, the place from which the service is directed or controlled is not in a jurisdiction that is outside the United States and that is where some part of the service is performed.

SECTION 72. IC 6-3.1-4-6, AS AMENDED BY P.L.192-2002(ss), SECTION 90, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 6. ~~Notwithstanding the other provisions of this chapter, a taxpayer is not entitled to a credit for Indiana qualified research expense incurred after December 31, 2004.~~ Notwithstanding Section 41 of the Internal Revenue Code, the termination date in Section 41(h) of the Internal Revenue Code does not apply to a taxpayer who is eligible for the credit under this chapter for the taxable year in which the Indiana qualified research expense is incurred.

SECTION 73. IC 6-3.1-13-12 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 12. (a) The economic development for a growing economy board is established. The board

consists of the following seven (7) members:

- (1) The director or, upon the director's designation, the executive director of the department of commerce.
- (2) The director of the budget agency.
- (3) The commissioner of the department of state revenue.
- (4) Four (4) members appointed by the governor, not more than two (2) of whom may be members of the same political party.
- (b) The director shall serve as chairperson of the board. Four (4) members of the board constitute a quorum to transact and vote on the business of the board.

(c) The department of commerce shall assist the board in carrying out the board's duties under this chapter **and IC 6-3.1-25.**

SECTION 74. IC 6-3.1-13-15.5, AS ADDED BY P.L.178-2002, SECTION 45, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 15.5. This section applies to an application proposing to retain existing jobs in Indiana. After receipt of an application, the board may enter into an agreement with the applicant for a credit under this chapter if the board determines that all the following conditions exist:

- (1) The applicant's project will retain existing jobs performed by the employees of the applicant in Indiana.
- (2) The applicant provides evidence that there is at least one (1) other competing site outside Indiana that is being considered for the project or for the relocation of jobs.
- (3) A disparity is identified, using the best available data, in the projected costs for the applicant's project in Indiana compared with the costs for the project in the competing site.
- (4) The applicant is engaged in research and development, manufacturing, or business services (as defined in the Standard Industrial Classification Manual of the United States Office of Management and Budget).
- (5) The average compensation (including benefits) provided to the applicant's employees during the applicant's previous fiscal year exceeds the ~~average compensation paid during that same period to all employees in the county in which the applicant's business is located by at least five percent (5%);~~ **lesser of:**

**(A) the average county wage in the county where the project for which the credit under this chapter is granted will be located; or**

**(B) the average wage in the state; during the same period, as determined by the department of commerce.**

(6) The applicant employs at least ~~two hundred (200)~~ **seventy-five (75)** employees in Indiana.

(7) The applicant has prepared a plan for the use of the credits under this chapter for:

- (A) investment in facility improvements or equipment and machinery upgrades, repairs, or retrofits; or
- (B) other direct business related investments, including but not limited to training.

(8) Receiving the tax credit is a major factor in the applicant's decision to go forward with the project, and not receiving the tax credit will increase the likelihood of the applicant reducing jobs in Indiana.

(9) Awarding the tax credit will result in an overall positive fiscal impact to the state, as certified by the budget agency using the best available data.

(10) The applicant's business and project are economically sound and will benefit the people of Indiana by increasing or maintaining opportunities for employment and strengthening the economy of Indiana.

(11) The communities affected by the potential reduction in jobs or relocation of jobs to another site outside Indiana have committed at least one dollar ~~and fifty cents (\$1.50)~~ **(\$1)** of local incentives with respect to the retention of jobs for every ~~three two dollars (\$32)~~ **(\$2)** in credits provided under this chapter. For purposes of this subdivision, local incentives include, but are not limited to, cash grants, tax abatements, infrastructure improvements, investment in facility rehabilitation, construction, and training investments.

(12) The credit is not prohibited by section 16 of this chapter. SECTION 75. IC 6-3.1-13-17, AS AMENDED BY P.L.178-2002,

SECTION 46, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 17. In determining the credit amount that should be awarded to an applicant under section 15 of this chapter that proposes a project to create jobs in Indiana, the board shall take into consideration the following factors:

- (1) The economy of the county where the projected investment is to occur.
- (2) The potential impact on the economy of Indiana.
- (3) The incremental payroll attributable to the project.
- (4) The capital investment attributable to the project.
- (5) ~~The amount the average wage paid by the applicant. exceeds the average wage paid within the county in which the project will be located.~~
- (6) The costs to Indiana and the affected political subdivisions with respect to the project.
- (7) The financial assistance that is otherwise provided by Indiana and the affected political subdivisions.

As appropriate, the board shall consider the factors in this section to determine the credit amount awarded to an applicant for a project to retain existing jobs in Indiana under section 15.5 of this chapter. In the case of an applicant under section 15.5 of this chapter, the board shall consider the magnitude of the cost differential between the projected costs for the applicant's project in the competing site outside Indiana and the projected costs for the applicant's project in Indiana.

SECTION 76. IC 6-3.1-13-26 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 26. (a) The economic development for a growing economy fund is established to be used exclusively for the purposes of this chapter **and IC 6-3.1-25**, including paying for the costs of administering this chapter **and IC 6-3.1-25**. The fund shall be administered by the department of commerce.

(b) The fund consists of collected fees, appropriations from the general assembly, and gifts and grants to the fund.

(c) The treasurer of state shall invest the money in the fund not currently needed to meet the obligations of the fund in the same manner as other public funds may be invested. Interest that accrues from these investments shall be deposited in the fund.

(d) The money in the fund at the end of a state fiscal year does not revert to the state general fund but remains in the fund to be used exclusively for the purposes of this chapter. Expenditures from the fund are subject to appropriation by the general assembly and approval by the budget agency.

SECTION 77. IC 6-3.1-24-3, AS ADDED BY P.L.192-2002(ss), SECTION 119, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2003 (RETROACTIVE)]: Sec. 3. As used in this chapter, "qualified investment capital" means debt or equity capital that is provided to a qualified Indiana business after December 31, ~~2003~~; **2002**.

SECTION 78. IC 6-3.1-24-9, AS ADDED BY P.L.192-2002(ss), SECTION 119, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2003 (RETROACTIVE)]: Sec. 9. ~~(a)~~ The total amount of tax credits that may be allowed under this chapter in a particular calendar year may not exceed ten million dollars (\$10,000,000).

~~(b) Notwithstanding the other provisions of this chapter, a taxpayer is not entitled to a credit for providing qualified investment capital to a qualified Indiana business after December 31, 2008.~~

SECTION 79. IC 6-3.1-25 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]:

#### **Chapter 25. Hoosier Homefield Advantage Investment Tax Credit**

Sec. 1. As used in this chapter, "base state tax liability" means a taxpayer's state tax liability in the taxable year immediately preceding the taxable year in which a taxpayer makes a qualified investment.

Sec. 2. As used in this chapter, "board" has the meaning set forth in IC 6-3.1-13-1.

Sec. 3. As used in this chapter, "director" has the meaning set forth in IC 6-3.1-13-3.

Sec. 4. As used in this chapter, "full-time employee" has the

meaning set forth in IC 6-3.1-13-4.

Sec. 5. As used in this chapter, "highly compensated employee" has the meaning set forth in Section 414(q) of the Internal Revenue Code.

Sec. 6. As used in this chapter, "new employee" has the meaning set forth in IC 6-3.1-13-6.

Sec. 7. As used in this chapter, "pass through entity" means a:

- (1) corporation that is exempt from the adjusted gross income tax under IC 6-3-2-2.8(2);
- (2) partnership;
- (3) trust;
- (4) limited liability company; or
- (5) limited liability partnership.

Sec. 8. (a) As used in this chapter, "qualified investment" means the amount of the taxpayer's expenditures for:

- (1) the purchase of new telecommunications, production, manufacturing, fabrication, assembly, extraction, mining, processing, refining, or finishing equipment;
- (2) the purchase of new computers and related equipment;
- (3) costs associated with the modernization of existing telecommunications, production, manufacturing, fabrication, assembly, extraction, mining, processing, refining, or finishing facilities;
- (4) onsite infrastructure improvements;
- (5) the construction of new telecommunications, production, manufacturing, fabrication, assembly, extraction, mining, processing, refining, or finishing facilities;
- (6) costs associated with retooling existing machinery and equipment; and
- (7) costs associated with the construction of special purpose buildings and foundations for use in the computer, software, biological sciences, or telecommunications industry;

that are certified by the board under this chapter as being eligible for the credit under this chapter.

(b) The term does not include property that can be readily moved outside Indiana.

Sec. 9. As used in this chapter, "state tax liability" means a taxpayer's total tax liability that is incurred under:

- (1) IC 6-3-1 through IC 6-3-7 (the adjusted gross income tax);
- (2) IC 27-1-18-2 (the insurance premiums tax); and
- (3) IC 6-5.5 (the financial institutions tax);

as computed after the application of the credits that under IC 6-3.1-1-2 are to be applied before the credit provided by this chapter.

Sec. 10. As used in this chapter, "state tax liability growth" means the difference between a taxpayer's state tax liability in a taxable year minus the greater of:

- (1) the taxpayer's state tax liability in the most recent prior taxable year in which the taxpayer claimed part of a credit under this chapter; or
- (2) the taxpayer's base state tax liability;

before the application of a credit under this chapter.

Sec. 11. As used in this chapter, "taxpayer" means an individual, a corporation, a partnership, or other entity that has state tax liability.

Sec. 12. The board may make credit awards under this chapter to foster job creation and higher wages in Indiana.

Sec. 13. A taxpayer that:

- (1) is awarded a tax credit under this chapter by the board; and
- (2) complies with the conditions set forth in this chapter and the agreement entered into by the board and the taxpayer under this chapter;

is entitled to a credit against the taxpayer's state tax liability in a taxable year.

Sec. 14. (a) The total amount of a tax credit claimed under this chapter equals thirty percent (30%) of the amount of a qualified investment made by the taxpayer in Indiana.



(b) In the taxable year in which a taxpayer makes a qualified investment, the taxpayer may claim a credit under this chapter in an amount equal to the lesser of:

- (1) thirty percent (30%) of the amount of the qualified investment; or
- (2) the taxpayer's state tax liability growth.

The taxpayer may carry forward any remainder.

Sec. 15. (a) A taxpayer may carry forward a remainder for not more than nine (9) consecutive taxable years beginning with the taxable year after the taxable year in which the taxpayer makes the qualified investment.

(b) The amount that a taxpayer may carry forward to a particular taxable year under this section equals the lesser of the following:

- (1) The taxpayer's state tax liability growth.
- (2) The unused part of a credit allowed under this chapter.

(c) A taxpayer may:

- (1) claim a tax credit under this chapter for a qualified investment; and
- (2) carry forward a remainder for one (1) or more different qualified investments;

in the same taxable year.

(d) The total amount of each tax credit claimed under this chapter may not exceed thirty percent (30%) of the qualified investment for which the tax credit is claimed.

Sec. 16. If a pass through entity does not have state tax liability growth against which the tax credit may be applied, a shareholder or partner of the pass through entity is entitled to a tax credit equal to:

- (1) the tax credit determined for the pass through entity for the taxable year; multiplied by
- (2) the percentage of the pass through entity's distributive income to which the shareholder or partner is entitled.

Sec. 17. A person that proposes a project to create new jobs or increase wage levels in Indiana may apply to the board before the taxpayer makes the qualified investment to enter into an agreement for a tax credit under this chapter. The director shall prescribe the form of the application.

Sec. 18. After receipt of an application, the board may enter into an agreement with the applicant for a credit under this chapter if the board determines that all the following conditions exist:

- (1) The applicant has conducted business in Indiana for at least one (1) year immediately preceding the date the application is received.
- (2) The applicant's project will raise the total earnings of employees of the applicant in Indiana.
- (3) The applicant's project is economically sound and will benefit the people of Indiana by increasing opportunities for employment and strengthening the economy of Indiana.
- (4) Receiving the tax credit is a major factor in the applicant's decision to go forward with the project and not receiving the tax credit will result in the applicant not raising the total earnings of employees in Indiana.
- (5) Awarding the tax credit will result in an overall positive fiscal impact to the state, as certified by the budget agency using the best available data.
- (6) The credit is not prohibited by section 19 of this chapter.
- (7) The average wage that will be paid by the taxpayer to its employees (excluding highly compensated employees) at the location after the credit is given will be at least equal to one hundred fifty percent (150%) of the hourly minimum wage under IC 22-2-2-4 or its equivalent.

Sec. 19. A person is not entitled to claim the credit provided by this chapter for any jobs that the person relocates from one (1) site in Indiana to another site in Indiana. Determinations under this section shall be made by the board.

Sec. 20. The board shall certify the amount of the qualified investment that is eligible for a credit under this chapter. In determining the credit amount that should be awarded, the board shall grant a credit only for the amount of the qualified

investment that is directly related to expanding the workforce in Indiana.

Sec. 21. The board shall enter into an agreement with an applicant that is awarded a credit under this chapter. The agreement must include all the following:

- (1) A detailed description of the project that is the subject of the agreement.
- (2) The first taxable year for which the credit may be claimed.
- (3) The amount of the taxpayer's state tax liability for each tax in the taxable year of the taxpayer that immediately preceded the first taxable year in which the credit may be claimed.
- (4) The maximum tax credit amount that will be allowed for each taxable year.
- (5) A requirement that the taxpayer shall maintain operations at the project location for at least ten (10) years during the term that the tax credit is available.
- (6) A specific method for determining the number of new employees employed during a taxable year who are performing jobs not previously performed by an employee.
- (7) A requirement that the taxpayer shall annually report to the board the number of new employees who are performing jobs not previously performed by an employee, the average wage of the new employees, the average wage of all employees at the location where the qualified investment is made, and any other information the director needs to perform the director's duties under this chapter.
- (8) A requirement that the director is authorized to verify with the appropriate state agencies the amounts reported under subdivision (7), and that after doing so shall issue a certificate to the taxpayer stating that the amounts have been verified.
- (9) A requirement that the taxpayer shall pay an average wage to all its employees other than highly compensated employees in each taxable year that a tax credit is available that equals at least one hundred fifty percent (150%) of the hourly minimum wage under IC 22-2-2-4 or its equivalent.
- (10) A requirement that the taxpayer will keep the qualified investment property that is the basis for the tax credit in Indiana for at least the lesser of its useful life for federal income tax purposes or ten (10) years.
- (11) A requirement that the taxpayer will maintain at the location where the qualified investment is made during the term of the tax credit a total payroll that is at least equal to the payroll level that existed before the qualified investment was made.
- (12) A requirement that the taxpayer shall provide written notification to the director and the board not more than thirty (30) days after the taxpayer makes or receives a proposal that would transfer the taxpayer's state tax liability obligations to a successor taxpayer.
- (13) Any other performance conditions that the board determines are appropriate.

Sec. 22. A taxpayer claiming a credit under this chapter shall submit to the department of state revenue a copy of the director's certificate of verification under this chapter for the taxable year. However, failure to submit a copy of the certificate does not invalidate a claim for a credit.

Sec. 23. If the director determines that a taxpayer who has received a credit under this chapter is not complying with the requirements of the tax credit agreement or all the provisions of this chapter, the director shall, after giving the taxpayer an opportunity to explain the noncompliance, notify the department of commerce and the department of state revenue of the noncompliance and request an assessment. The department of state revenue, with the assistance of the director, shall state the amount of the assessment, which may not exceed the sum of any previously allowed credits under this chapter. After receiving the notice, the department of state revenue shall make an assessment against the taxpayer under IC 6-8.1.

Sec. 24. On or before March 31 each year, the director shall



submit a report to the board on the tax credit program under this chapter. The report must include information on the number of agreements that were entered into under this chapter during the preceding calendar year, a description of the project that is the subject of each agreement, an update on the status of projects under agreements entered into before the preceding calendar year, and the sum of the credits awarded under this chapter. A copy of the report shall be delivered to the executive director of the legislative services agency for distribution to the members of the general assembly.

Sec. 25. On a biennial basis, the board shall provide for an evaluation of the tax credit program, giving first priority to using the Indiana economic development council established under IC 4-3-14. The evaluation must include an assessment of the effectiveness of the program in creating new jobs and increasing wages in Indiana and of the revenue impact of the program and may include a review of the practices and experiences of other states with similar programs. The director shall submit a report on the evaluation to the governor, the president pro tempore of the senate, and the speaker of the house of representatives after June 30 and before November 1 in each odd-numbered year.

SECTION 80. IC 6-3.1-26 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2004]:

**Chapter 26. Certified Job Skills Training Program Employer Credit**

Sec. 1. As used in this chapter, "certified job skills training program" means a job skills training program certified by the department of workforce development under IC 22-4.1-7.

Sec. 2. As used in this chapter, "highly compensated employee" has the meaning set forth in Section 414(q) of the Internal Revenue Code.

Sec. 3. As used in this chapter, "pass through entity" means:

- (1) a corporation that is exempt from the adjusted gross income tax under IC 6-3-2-2.8(2);
- (2) a partnership;
- (3) a limited liability company; or
- (4) a limited liability partnership.

Sec. 4. As used in this chapter, "qualified employer" means a person, corporation, or pass through entity that pays an average hourly wage to employees other than highly compensated employees that exceeds one hundred fifty percent (150%) of the federal minimum wage.

Sec. 5. As used in this chapter, "state tax liability" means a taxpayer's total tax liability that is incurred under:

- (1) IC 6-3-1 through IC 6-3-7 (adjusted gross income tax);
- (2) IC 6-5.5 (financial institutions tax); and
- (3) IC 27-1-18-2 (insurance premiums tax);

as computed after the application of the credits that under IC 6-3.1-1-2 are to be applied before the credit provided by this chapter.

Sec. 6. As used in this chapter, "training program expenditures" means expenses incurred by a qualified employer for any of the following:

- (1) Sponsoring or co-sponsoring a certified job skills training program that it provides to its employees, to the extent the expenses are incurred in providing the training to its employees and not to other program participants.
- (2) Reimbursing an employee for participation in a certified job skills training program not sponsored or co-sponsored by the qualified employer.

The term does not include indirect costs incurred by an employer such as wages, salaries, and fringe benefits paid to employees while attending a certified job skills training program.

Sec. 7. A qualified employer is entitled to a credit against the qualified employer's state tax liability for training program expenditures made by the qualified employer in a taxable year. The amount of the credit is equal to the qualified employer's training program expenditures in the taxable year multiplied by ten percent (10%).

Sec. 8. (a) If the amount determined under section 7 of this

chapter for a qualified employer in a taxable year exceeds the qualified employer's state tax liability for that taxable year, the qualified employer may carry the excess over to the following taxable years. The amount of the credit carryover from a taxable year shall be reduced to the extent that the carryover is used by the qualified employer to obtain a credit under this chapter for any subsequent taxable year. A qualified employer is not entitled to a carryback.

(b) A qualified employer is not entitled to a refund of any unused credit.

Sec. 9. If a qualified employer is a pass through entity that does not have state income tax liability against which the tax credit may be applied, a shareholder, partner, beneficiary, or member of the pass through entity is entitled to a tax credit equal to:

- (1) the tax credit determined for the pass through entity for the taxable year; multiplied by
- (2) the percentage of the pass through entity's distributive income to which the shareholder, partner, beneficiary, or member is entitled.

Sec. 10. To receive the credit provided by this chapter, a qualified employer must claim the credit on the qualified employer's state tax return in the manner prescribed by the department. The qualified employer must submit to the department proof of payment of the training program expenditures, proof that the expenditures were for job skills training programs certified by the department of workforce development under IC 22-4.1-7, and all information that the department determines is necessary for the calculation of the credit provided by this chapter.

SECTION 81. IC 6-3.1-27 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2004]:

**Chapter 27. Certified Job Skills Training Program Individual Credit**

Sec. 1. As used in this chapter, "certified job skills training program" means a job skills training program certified by the department of workforce development under IC 22-4.1-7.

Sec. 2. As used in this chapter, "state tax liability" means a taxpayer's total tax liability incurred under IC 6-3-1 through IC 6-3-7 (the adjusted gross income tax) as computed after the application of all credits that under IC 6-3.1-1-2 are to be applied before the credit provided by this chapter.

Sec. 3. As used in this chapter, "taxpayer" means any individual that has any state tax liability.

Sec. 4. As used in this chapter, "training program expenditures" means expenses incurred by the taxpayer for fees or tuition that are:

- (1) paid by the taxpayer for participation in a certified job skills training program that relates to the taxpayer's career field or job classification, as determined by the department of workforce development under rules adopted under IC 22-4.1-7-4(a)(2); and
- (2) not reimbursed or otherwise covered by the taxpayer's employer.

Sec. 5. A taxpayer is entitled to a credit against the taxpayer's state tax liability for training program expenditures made by the taxpayer in a taxable year. The amount of the credit is equal to the lesser of:

- (1) the taxpayer's training program expenditures in the taxable year multiplied by twenty-five percent (25%); or
- (2) two hundred fifty dollars (\$250).

If a husband and wife file a joint income tax return and each spouse is eligible for the credit during a taxable year, the amount of the credit that may be claimed on the joint return is equal to the amount of the credit the husband is entitled to under this subsection plus the amount of the credit the wife is entitled to under this subsection.

Sec. 6. (a) If the amount determined under section 5 of this chapter for a taxpayer in a taxable year exceeds the taxpayer's state tax liability for that taxable year, the taxpayer may carry the excess over to the following taxable years. The amount of the

credit carryover from a taxable year shall be reduced to the extent that the carryover is used by the taxpayer to obtain a credit under this chapter for any subsequent taxable year. A taxpayer is not entitled to a carryback.

(b) A taxpayer is entitled to a refund of any unused credit.

Sec. 7. To receive the credit provided by this chapter, a taxpayer must claim the credit on the taxpayer's state tax return in the manner prescribed by the department. The taxpayer must submit to the department:

- (1) proof of payment of the training program expenditures;
- (2) proof that the expenditures were for job skills training programs:

(A) certified by the department of workforce development under IC 22-4.1-7; and

(B) related to the taxpayer's career field or job classification, as determined by the department of workforce development under rules adopted under IC 22-4.1-7; and

- (3) all information that the department determines is necessary for the calculation of the credit provided by this chapter.

SECTION 82. IC 6-3.1-28 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2004]:

#### Chapter 28. Headquarters Relocation Tax Credit

Sec. 1. As used in this chapter, "corporate headquarters" means the building or buildings where:

- (1) the principal offices of the principal executive officers of an eligible business are located; and
- (2) at least two hundred fifty (250) employees are employed.

Sec. 2. As used in this chapter, "eligible business" means a business that:

- (1) is engaged in either interstate or intrastate commerce;
- (2) maintains a corporate headquarters in a state other than Indiana as of January 1, 2004;
- (3) had annual worldwide revenues of at least one billion dollars (\$1,000,000,000) for the taxable year immediately preceding the business's application for a tax credit under section 12 of this chapter; and
- (4) commits contractually to relocating its corporate headquarters to Indiana.

Sec. 3. As used in this chapter, "pass through entity" means:

- (1) a corporation that is exempt from the adjusted gross income tax under IC 6-3-2-2.8(2);
- (2) a partnership;
- (3) a limited liability company; or
- (4) a limited liability partnership.

Sec. 4. As used in this chapter, "qualifying project" means the relocation of the corporate headquarters of an eligible business from a location outside Indiana to a location in Indiana.

Sec. 5. As used in this chapter, "relocation costs" means the reasonable and necessary expenses incurred by an eligible business for a qualifying project. The term includes:

- (1) moving costs and related expenses;
- (2) the purchase of new or replacement equipment;
- (3) capital investment costs; and
- (4) property assembly and development costs, including:
  - (A) the purchase, lease, or construction of buildings and land;
  - (B) infrastructure improvements; and
  - (C) site development costs.

The term does not include any costs that do not directly result from the relocation of the business to a location in Indiana.

Sec. 6. As used in this chapter, "state tax liability" means a taxpayer's total tax liability that is incurred under:

- (1) IC 6-2.5 (state gross retail and use tax);
- (2) IC 6-3-1 through IC 6-3-7 (the adjusted gross income tax);
- (3) IC 6-5.5 (the financial institutions tax); and
- (4) IC 27-1-18-2 (the insurance premiums tax);

as computed after the application of the credits that under

IC 6-3.1-1-2 are to be applied before the credit provided by this chapter.

Sec. 7. As used in this chapter, "taxpayer" means an individual or entity that has any state tax liability.

Sec. 8. A taxpayer that:

- (1) is an eligible business;
- (2) completes a qualifying project; and
- (3) incurs relocation costs;

is entitled to a credit against the person's state tax liability for the taxable year in which the relocation costs are incurred. The credit allowed under this section is equal to the amount determined under section 9 of this chapter.

Sec. 9. (a) Subject to subsection (b), the amount of the credit to which a taxpayer is entitled under section 8 of this chapter equals the product of:

- (1) fifty percent (50%); multiplied by
- (2) the amount of the taxpayer's relocation costs in the taxable year.

(b) The credit to which a taxpayer is entitled under section 8 of this chapter may not reduce the taxpayer's state tax liability below the amount of the taxpayer's state tax liability in the taxable year immediately preceding the taxable year in which the taxpayer first incurred relocation costs.

Sec. 10. If a pass through entity is entitled to a credit under section 8 of this chapter but does not have state tax liability against which the tax credit may be applied, a shareholder, partner, or member of the pass through entity is entitled to a tax credit equal to:

- (1) the tax credit determined for the pass through entity for the taxable year; multiplied by
- (2) the percentage of the pass through entity's distributive income to which the shareholder, partner, or member is entitled.

Sec. 11. (a) A credit allowed under section 8 of this chapter must be taken in ten (10) annual installments, beginning with the year in which the credit is granted. If the amount of an annual installment exceeds the taxpayer's state tax liability in a particular taxable year, the taxpayer may carry forward the amount of the excess to subsequent taxable years. The amount of the credit carryover from a taxable year shall be reduced to the extent that the carryover is used by the taxpayer to obtain a credit under this chapter for any subsequent taxable year.

(b) The credit allowed under this chapter is not refundable.

Sec. 12. To receive the credit provided by this chapter, a taxpayer must claim the credit on the taxpayer's state tax return or returns in the manner prescribed by the department. The taxpayer shall submit to the department proof of the taxpayer's relocation costs and all information that the department determines is necessary for the calculation of the credit provided by this chapter.

Sec. 13. In determining whether an expense of the eligible business directly resulted from the relocation of the business, the department shall consider whether the expense would likely have been incurred by the eligible business if the business had not relocated from its original location."

Page 113, between lines 29 and 30, begin a new paragraph and insert:

"SECTION 84. IC 10-1-2-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 2. (a) Authority is granted to the department to establish and operate an actuarially sound pension plan governed by a pension trust and to make the necessary annual contribution in order to prevent any deterioration in the actuarial status of the trust fund.

(b) Contributions shall be made to the trust fund by the department and by each employee beneficiary through authorized monthly deductions from wages.

(c) The trust fund may not be commingled with any other funds and shall be invested only in accordance with Indiana laws for the investment of trust funds, together with such other investments as are specifically designated in the pension trust. Subject to the terms of the pension trust, the trustee, with the approval of the department and the pension advisory board, may establish investment guidelines and

limits on all types of investments (including, but not limited to, stocks and bonds) and take other action necessary to fulfill its duty as a fiduciary for the trust fund. However, the trustee shall invest the trust fund assets with the same care, skill, prudence, and diligence that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character with like aims. The trustee shall also diversify such investments in accordance with prudent investment standards, **subject to the limitations and restrictions set forth in IC 5-10.2-2-18**. The investment of trust funds is subject to section 2.5 of this chapter.

(d) The trustee shall receive and hold as trustee for the uses and purposes set forth in the pension trust any and all funds paid by the department, the employee beneficiaries, or by any other person or persons.

(e) The trustee shall engage pension consultants to supervise and assist in the technical operation of the pension plan in order that there may be no deterioration in the actuarial status of the plan.

(f) Before October 1 of each year, the trustee, with the aid of the pension consultants, shall prepare and file a report with the department and the state board of accounts. The report must include the following with respect to the fiscal year ending on the preceding June 30:

SCHEDULE I. Receipts and disbursements.

SCHEDULE II. Assets of the pension trust, listing investments as to book value and current market value at the end of the fiscal year.

SCHEDULE III. List of terminations, showing cause and amount of refund.

SCHEDULE IV. The application of actuarially computed "reserve factors" to the payroll data, properly classified for the purpose of computing the reserve liability of the trust fund as of the end of the fiscal year.

SCHEDULE V. The application of actuarially computed "current liability factors" to the payroll data, properly classified for the purpose of computing the liability of the trust fund for the end of the fiscal year.

SCHEDULE VI. An actuarial computation of the pension liability for all employees retired before the close of the fiscal year.

(g) The minimum annual contribution by the department must be of sufficient amount, as determined by the pension consultants, to prevent any deterioration in the actuarial status of the pension plan during that year. If the department fails to make the minimum contribution for five (5) successive years, the pension trust terminates and the trust fund shall be liquidated.

(h) In the event of liquidation, all expenses of the pension trust shall be paid, adequate provision shall be made for continuing pension payments to retired persons, and each employee beneficiary shall receive the net amount paid into the trust fund from wages. Any remaining sum shall be equitably divided among employee beneficiaries in proportion to the net amount paid from their wages into the trust fund.

SECTION 85. IC 10-1-2-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 6. The mortality reserve account referred to in section 3 of this chapter, the disability reserve account referred to in section 4 of this chapter, and the dependent pension reserve account referred to in section 5 of this chapter may be commingled and operated as one (1) fund, known as the police benefit fund, under the terms of a supplementary trust agreement between the department and the trustee for the exclusive benefit of employee beneficiaries and their dependents. The trustee shall receive and hold as trustee for the uses and purposes set out in the supplementary trust agreement all funds paid to it as such trustee by the department or by any other person or persons. The trustee shall hold, invest, and reinvest the police benefit fund in such investments as it is permitted under the laws of Indiana to invest trust funds and such other investments as may be specifically designated in the supplementary trust agreement. **If the trustee decides to allocate part of the assets of the police benefit fund to alternative investments (as defined in IC 5-10.2-2-18), the trustee shall comply with the limitations and restrictions set forth in IC 5-10.2-2-18.** The trustee, with the assistance of the pension

engineers, shall, within ninety (90) days after the close of the fiscal year, prepare and file with the department and the ~~Indiana insurance~~ department of insurance a detailed annual report showing receipts, disbursements, and case histories and making recommendations as to the necessary contributions required to keep the program in operation. Contributions by the department to the police benefit fund shall be provided in the general appropriations to the department."

Page 129, between lines 2 and 3, begin a new paragraph and insert:

"SECTION 116. IC 21-6.1-3-9, AS AMENDED BY P.L.1-2002, SECTION 88, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 9. (a) The board shall invest its assets with the care, skill, prudence, and diligence that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character with like aims. The board shall also diversify such investments in accordance with prudent investment standards, **subject to the limitations and restrictions set forth in IC 5-10.2-2-18.**

(b) The board may:

- (1) make or have made investigations concerning investments; and
- (2) contract for and employ investment counsel to advise and assist in the purchase and sale of securities.

(c) The board is not subject to IC 4-13, IC 4-13.6, or IC 5-16 when managing real property as an investment. Any management agreements entered into by the board must ensure that the management agent acts in a prudent manner with regard to the purchase of goods and services. Contracts for the management of investment property shall be submitted to the governor, the attorney general, and the budget agency for approval. A contract for the management of real property as an investment:

- (1) may not exceed a four (4) year term and must be based upon guidelines established by the board;
- (2) may provide that the property manager may collect rent and make disbursements for routine operating expenses such as utilities, cleaning, maintenance, and minor tenant finish needs;
- (3) shall establish, consistent with the board's duty under IC 30-4-3-3(c), guidelines for the prudent management of expenditures related to routine operation and capital improvements; and
- (4) may provide specific guidelines for the board to purchase new properties, contract for the construction or repair of properties, and lease or sell properties without individual transactions requiring the approval of the governor, the attorney general, the Indiana department of administration, and the budget agency. However, each individual contract involving the purchase or sale of real property is subject to review and approval by the attorney general at the specific request of the attorney general.

(d) Whenever the board takes bids in managing or selling real property, the board shall require a bid submitted by a trust (as defined in IC 30-4-1-1(a)) to identify all of the following:

- (1) Each beneficiary of the trust.
- (2) Each settlor empowered to revoke or modify the trust.

SECTION 117. IC 22-4.1-7 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]:

#### **Chapter 7. Job Skills Training Program Certification**

**Sec. 1. As used in this chapter, "job skills training program" means a course or program designed to:**

- (1) develop, enhance, or upgrade basic workforce skills of an employee, including:

- (A) literacy;
- (B) communication skills;
- (C) computational skills; or
- (D) other transferable workforce skills; or

- (2) develop, enhance, or upgrade advanced, specialized, or industry specific skills of an employee that are directly related to the employee's job or career.

**Sec. 2. As used in this chapter, "person" means any individual, corporation, limited liability company, partnership, firm, association, public or private agency, educational**

institution, or other organization.

**Sec. 3.** As used in this chapter, "sponsor" means a person operating a job skills training program and in whose name the program is registered or approved.

**Sec. 4. (a)** The department shall adopt rules under IC 4-22-2 to establish standards for:

(1) certifying job skills training programs in Indiana, for purposes of allowing:

(A) employers to claim a credit against state tax liability under IC 6-3.1-26; and

(B) employees to claim a credit against state tax liability under IC 6-3.1-27; and

(2) certifying that a job skills training program is related to particular career fields or job classifications for purposes of allowing employees to claim a credit against state tax liability under IC 6-3.1-27.

**(b)** The rules adopted by the department under subsection (a) must require as a condition for certification under this chapter that a job skills training program be conducted under an organized, written plan that describes the following:

(1) The nature of the training, instruction, or other curricula to be provided to program participants.

(2) The career fields or job classifications to which the training relates, to allow the department to make the certification required under subsection (a)(2).

(3) The duration of the training.

(4) Any certification, license, or degree that a participant may earn through completion of the program and the specific requirements for the certification, license, or degree.

(5) Any fees or tuition to be charged for the program.

(6) The sponsor's experience in conducting the program or other job skills training programs.

**(c)** The rules adopted by the commission under subsection (a) may include:

(1) a requirement that the sponsor of a job training program be certified by, accredited by, or otherwise in good standing with an appropriate accrediting body;

(2) minimum requirements, including the payment of any certification fees, for initial certification under this chapter after June 30, 2003;

(3) requirements for renewing a certification first issued under this chapter after June 30, 2003, including the payment of any renewal fees; or

(4) any other requirement that the department considers appropriate.

**Sec. 5.** The sponsor of a job skills training program who seeks certification under this chapter shall apply to the department for certification on forms prescribed by the department."

Page 134, between lines 43 and 44, begin a new paragraph and insert:

"SECTION 130. IC 36-8-6-6, AS AMENDED BY P.L.35-1999, SECTION 8, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 6. (a) The local board shall determine how much of the 1925 fund may be safely invested and how much should be retained for the needs of the fund. The investment shall be made:

(1) in interest bearing bonds of the United States, the state, or an Indiana municipal corporation. The bonds shall be deposited with and must remain in the custody of the treasurer of the board, who shall collect the interest due as it becomes due; or

(2) under IC 5-13-9.

**(b)** Investments under this section are subject to section 1.5 of this chapter.

**(c)** If the local board decides to allocate part of the assets of the 1925 fund to alternative investments (as defined in IC 5-10.2-2-18), the local board shall comply with the limitations and restrictions set forth in IC 5-10.2-2-18.

SECTION 131. IC 36-8-7-10, AS AMENDED BY P.L.35-1999, SECTION 9, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 10. (a) The local board shall determine how much of the 1937 fund may be safely invested and

how much should be retained for the needs of the fund. Investments are restricted to the following:

(1) Interest bearing direct obligations of the United States or of the state or bonds lawfully issued by an Indiana political subdivision. The securities shall be deposited with and must remain in the custody of the treasurer of the local board, who shall collect the interest on them as it becomes due and payable.

(2) Savings deposits or certificates of deposit of a chartered national, state, or mutual bank whose deposits are insured by a federal agency. However, deposits may not be made in excess of the amount of insurance protection afforded a member or investor of the bank.

(3) Shares of a federal savings association organized under 12 U.S.C. 1461, as amended, and having its principal office in Indiana, or of a savings association organized and operating under Indiana statutes whose accounts are insured by a federal agency. However, shares may not be purchased in excess of the amount of insurance protection afforded a member or investor of the association.

(4) An investment made under IC 5-13-9.

**(b)** All securities must be kept on deposit with the unit's fiscal officer, or county treasurer acting under IC 36-4-10-6, who shall collect all interest due and credit it to the 1937 fund.

**(c)** The fiscal officer (or county treasurer) shall keep a separate account of the 1937 fund and shall fully and accurately set forth a statement of all money received and paid out by ~~him~~: **the officer**. The officer shall, on the first Monday of January and June of each year, make a report to the local board of all money received and distributed by ~~him~~: **the officer**. The president of the local board shall execute the officer's bond in the sum that the local board considers adequate, conditioned that ~~he~~ **the officer** will faithfully discharge the duties of his office and faithfully account for and pay over to the persons authorized to receive it all money that comes into ~~his~~ **the officer's** hands by virtue of ~~his~~ **the officer's** office. The bond and sureties must be approved by the local board and filed with the executive of the unit. The local board shall make a full and accurate report of the condition of the 1937 fund to the unit's fiscal officer on the first Monday of February in each year.

**(d)** All securities that were owned by and held in the name of the local board on January 1, 1938, shall be held and kept for the local board by the unit's fiscal officer (or county treasurer) until they mature and are retired. However, if an issue of the securities is refunded, the local board shall accept refunding securities in exchange for and in an amount equal to the securities refunded. All money received by the local board for the surrender of matured and retired securities shall be paid into and constitutes a part of the 1937 fund of the unit, as provided in section 8 of this chapter.

**(e)** Investments under this section are subject to section 2.5 of this chapter.

**(f)** If the local board decides to allocate part of the assets of the 1937 fund to alternative investments (as defined in IC 5-10.2-2-18), the local board shall comply with the limitations and restrictions set forth in IC 5-10.2-2-18.

SECTION 132. IC 36-8-7.5-11 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 11. (a) The local board shall determine how much of the 1953 fund may be safely invested and how much should be retained for the needs of the fund. The investment shall be made in interest bearing direct obligations of the United States, obligations or issues guaranteed by the United States, bonds of the state of Indiana or any political subdivision, or street, sewer, or other improvement bonds of the state of Indiana or any political subdivision. However, the local board may not invest in obligations issued by the consolidated city, the county, or any political subdivision in the county. Any securities shall be deposited with and remain in the custody of the treasurer of the local board, who shall collect the interest due on them as it becomes due and payable. The local board may sell any of the securities belonging to the 1953 fund and borrow money upon the securities as collateral whenever in the judgment of the local board this action is necessary to meet the cash requirements of the 1953 fund.

**(b)** The revenues derived from the tax levy authorized by section 10(c) of this chapter may not be invested but shall be used for the

exclusive purpose of paying the pensions and benefits that the local board is obligated to pay. These revenues are in addition to all money derived from the income on the investments of the board.

(c) Investments under this section are subject to section 1.5 of this chapter.

**(d) If the local board decides to allocate part of the assets of the 1953 fund to alternative investments (as defined in IC 5-10.2-2-18), the local board shall comply with the limitations and restrictions set forth in IC 5-10.2-2-18.**

SECTION 133. IC 36-8-10-12 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 12. (a) The department and a trustee may establish and operate an actuarially sound pension trust as a retirement plan for the exclusive benefit of the employee beneficiaries. However, a department and a trustee may not establish or modify a retirement plan after June 30, 1989, without the approval of the county fiscal body which shall not reduce or diminish any benefits of the employee beneficiaries set forth in any retirement plan that was in effect on January 1, 1989.

(b) The normal retirement age may be earlier but not later than the age of seventy (70). However, the sheriff may retire an employee who is otherwise eligible for retirement if the board finds that the employee is not physically or mentally capable of performing the employee's duties.

(c) Joint contributions shall be made to the trust fund:

(1) either by:

(A) the department through a general appropriation provided to the department;

(B) a line item appropriation directly to the trust fund; or

(C) both; and

(2) by an employee beneficiary through authorized monthly deductions from the employee beneficiary's salary or wages. However, the employer may pay all or a part of the contribution for the employee beneficiary.

Contributions through an appropriation are not required for plans established or modifications adopted after June 30, 1989, unless the establishment or modification is approved by the county fiscal body.

(d) For a county not having a consolidated city, the monthly deductions from an employee beneficiary's wages for the trust fund may not exceed six percent (6%) of the employee beneficiary's average monthly wages. For a county having a consolidated city, the monthly deductions from an employee beneficiary's wages for the trust fund may not exceed seven percent (7%) of the employee beneficiary's average monthly wages.

(e) The minimum annual contribution by the department must be sufficient, as determined by the pension engineers, to prevent deterioration in the actuarial status of the trust fund during that year. If the department fails to make minimum contributions for three (3) successive years, the pension trust terminates and the trust fund shall be liquidated.

(f) If during liquidation all expenses of the pension trust are paid, adequate provision must be made for continuing pension payments to retired persons. Each employee beneficiary is entitled to receive the net amount paid into the trust fund from the employee beneficiary's wages, and any remaining sum shall be equitably divided among employee beneficiaries in proportion to the net amount paid from their wages into the trust fund.

(g) If a person ceases to be an employee beneficiary because of death, disability, unemployment, retirement, or other reason, the person, the person's beneficiary, or the person's estate is entitled to receive at least the net amount paid into the trust fund from the person's wages, either in a lump sum or monthly installments not less than the person's pension amount.

(h) If an employee beneficiary is retired for old age, the employee beneficiary is entitled to receive a monthly income in the proper amount of the employee beneficiary's pension during the employee beneficiary's lifetime.

(i) To be entitled to the full amount of the employee beneficiary's pension classification, an employee beneficiary must have contributed at least twenty (20) years of service to the department before retirement. Otherwise, the employee beneficiary is entitled to receive a pension proportional to the length of the employee beneficiary's service.

(j) This subsection does not apply to a county that adopts an ordinance under section 12.1 of this chapter. For an employee beneficiary who retires before January 1, 1985, a monthly pension may not exceed by more than twenty dollars (\$20) one-half (1/2) the amount of the average monthly wage received during the highest paid five (5) years before retirement. However, in counties where the fiscal body approves the increases, the maximum monthly pension for an employee beneficiary who retires after December 31, 1984, may be increased by no more or no less than two percent (2%) of that average monthly wage for each year of service over twenty (20) years to a maximum of seventy-four percent (74%) of that average monthly wage plus twenty dollars (\$20). For the purposes of determining the amount of an increase in the maximum monthly pension approved by the fiscal body for an employee beneficiary who retires after December 31, 1984, the fiscal body may determine that the employee beneficiary's years of service include the years of service with the sheriff's department that occurred before the effective date of the pension trust. For an employee beneficiary who retires after June 30, 1996, the average monthly wage used to determine the employee beneficiary's pension benefits may not exceed the monthly minimum salary that a full-time prosecuting attorney was entitled to be paid by the state at the time the employee beneficiary retires.

(k) The trust fund may not be commingled with other funds, except as provided in this chapter, and may be invested only in accordance with statutes for investment of trust funds, including other investments that are specifically designated in the trust agreement.

(l) The trustee receives and holds as trustee all money paid to it as trustee by the department, the employee beneficiaries, or by other persons for the uses stated in the trust agreement.

(m) The trustee shall engage pension engineers to supervise and assist in the technical operation of the pension trust in order that there is no deterioration in the actuarial status of the plan.

(n) Within ninety (90) days after the close of each fiscal year the trustee, with the aid of the pension engineers, shall prepare and file an annual report with the department and the state insurance department. The report must include the following:

(1) Schedule 1. Receipts and disbursements.

(2) Schedule 2. Assets of the pension trust listing investments by book value and current market value as of the end of the fiscal year.

(3) Schedule 3. List of terminations, showing the cause and amount of refund.

(4) Schedule 4. The application of actuarially computed "reserve factors" to the payroll data properly classified for the purpose of computing the reserve liability of the trust fund as of the end of the fiscal year.

(5) Schedule 5. The application of actuarially computed "current liability factors" to the payroll data properly classified for the purpose of computing the liability of the trust fund as of the end of the fiscal year.

(o) No part of the corpus or income of the trust fund may be used or diverted to any purpose other than the exclusive benefit of the members and the beneficiaries of the members.

**(p) If the trustee decides to allocate part of the assets of the pension trust to alternative investments (as defined in IC 5-10.2-2-18), the trustee shall comply with the limitations and restrictions set forth in IC 5-10.2-2-18.**

SECTION 134. P.L.192-2002(ss), SECTION 207, IS REPEALED [EFFECTIVE JANUARY 1, 2003 (RETROACTIVE)].

Page 134, between lines 45 and 46, begin a new paragraph and insert:

"SECTION 136. [EFFECTIVE JANUARY 1, 2003 (RETROACTIVE)] IC 6-3.1-24, as added by P.L.192-2002(ss), SECTION 119, and as amended by this act, applies to taxable years beginning after December 31, 2002.

SECTION 137. [EFFECTIVE JULY 1, 2003] IC 5-10.2-2-18, as added by this act, applies only to investments made after June 30, 2003.

SECTION 138. [EFFECTIVE UPON PASSAGE] (a) As used in this SECTION, "department" refers to the department of workforce development established by IC 22-4.1-2-1.

(b) As used in this SECTION, "job skills training program" has the meaning set forth in IC 22-4.1-7-1, as added by this act.

(c) Notwithstanding IC 22-4.1-7-4, as added by this act, the department shall adopt rules under IC 4-22-2 to establish standards for:

- (1) certifying job skills training programs in Indiana; and
- (2) certifying that a job skills training program is related to particular career fields or job classifications for purposes of allowing employees to claim a credit against state tax liability under IC 6-3.1-27, as added by this act;

as required under IC 22-4.1-7-4, as added by this act, not later than December 31, 2003.

(d) This SECTION expires January 1, 2005.

SECTION 139. [EFFECTIVE JULY 1, 2003] (a) IC 6-1.1-3-22 and IC 6-1.1-8-44, both as amended by this act, apply only to assessment dates after December 31, 2003.

(b) For purposes of IC 6-2.5-5-39, as added by this act, all transactions shall be considered as having occurred after June 30, 2003, to the extent that delivery of the property or services constituting selling at retail is made after that date to the purchaser or to the place of delivery designated by the purchaser. However, a transaction shall be considered as having occurred before July 1, 2003, to the extent that the agreement of the parties to the transaction was entered into before July 1, 2003, and payment for the property or services furnished in the transaction is made before July 1, 2003, notwithstanding the delivery of the property or services after June 30, 2003.

(c) IC 6-3.1-24, IC 6-3.2-2, and IC 6-3.2-2.4, all as amended by this act, apply only to taxable years beginning after December 31, 2003.

SECTION 140. [EFFECTIVE JANUARY 1, 2004] IC 6-3.1-26 and IC 6-3.1-27, both as added by this act, apply to taxable years beginning after December 31, 2003.

SECTION 141. [EFFECTIVE JANUARY 1, 2004] IC 6-3.1-28, as added by this act, applies to taxable years beginning after December 31, 2003.

SECTION 142. [EFFECTIVE JULY 1, 2003] (a) The duties conferred on the department of commerce relating to energy policy are transferred to the department of environmental management, established by IC 13-13-1-1, on July 1, 2003.

(b) The rules adopted by the department of commerce concerning energy policy before July 1, 2003, are considered, after June 30, 2003, rules of the department of environmental management until the department of environmental management adopts replacement rules.

(c) On July 1, 2003, the department of environmental management becomes the owner of all real and personal property relating to energy policy of the department of commerce.

(d) Any fund relating to energy policy under the control or supervision of the department of commerce on June 30, 2003, shall be transferred to the control or supervision of the department of environmental management on July 1, 2003.

(e) The legislative services agency shall prepare legislation for introduction in the 2004 regular session of the general assembly to organize and correct statutes affected by the transfer of responsibilities to the department of environmental management by this act.

(f) This SECTION expires June 30, 2004.

SECTION 143. [EFFECTIVE JULY 1, 2003] (a) The duties conferred on the department of commerce relating to tourism and community development are transferred to the department of tourism and community development, established by IC 4-4-3-2, as amended by this act, on July 1, 2003.

(b) The rules adopted by the department of commerce concerning tourism and community development before July 1, 2003, are considered, after June 30, 2003, rules of the department of tourism and community development until the department of tourism and community development adopts replacement rules.

(c) On July 1, 2003, the department of tourism and community development becomes the owner of all real and

personal property relating to tourism promotion and community development of the department of commerce.

(d) Any fund relating to tourism and community development under the control or supervision of the department of commerce on June 30, 2003, shall be transferred to the control or supervision of the department of tourism and community development on July 1, 2003.

(e) The legislative services agency shall prepare legislation for introduction in the 2004 regular session of the general assembly to organize and correct statutes affected by the transfer of responsibilities to the department of tourism and community development by this act.

(f) This SECTION expires June 30, 2004.

SECTION 144. [EFFECTIVE JULY 1, 2003] (a) The duties conferred on the department of commerce relating to economic development in Indiana, except those relating to energy policy or tourism and community development, are transferred to the economic development corporation, established by IC 4-3-13.7, as added by this act, on July 1, 2003.

(b) The rules adopted by the department of commerce, except those related to energy policy and tourism and community development, before July 1, 2003, concerning the duties of the department of commerce are considered, after June 30, 2003, rules of the economic development corporation until the corporation adopts replacement rules.

(c) On July 1, 2003, the Indiana economic development corporation becomes the owner of all real and personal property, except the real and personal property related to energy policy and tourism and community development, of the department of commerce.

(d) Any fund under the control or supervision of the department of commerce, except funds related to energy policy and tourism and community development, on June 30, 2003, is transferred to the control or supervision of the economic development corporation on July 1, 2003.

(e) The legislative services agency shall prepare legislation for introduction in the 2004 regular session of the general assembly to organize and correct statutes affected by the transfer of responsibilities to the economic development corporation by this act.

(f) This SECTION expires June 30, 2004.

SECTION 145. [EFFECTIVE JULY 1, 2003] (a) The budget agency must identify fifty million dollars (\$50,000,000) of appropriations made from the state general fund for FY 2003-2004 for cuts in FY 2003-2004. Notwithstanding IC 4-13-2-18, the budget agency may not allot the fifty million dollars (\$50,000,000) identified during FY 2003-2004.

(b) The appropriations that were identified not to be allotted under subsection (a) for FY 2003-2004 must be permanent cuts in the appropriations from which they were taken.

(c) The cuts identified in subsections (a) and (b) shall be continued in FY 2004-2005. Notwithstanding IC 4-13-2-18, fifty million dollars (\$50,000,000) of the appropriations for the programs identified in subsections (a) and (b) may not be allotted in FY 2004-2005.

(d) This SECTION expires July 1, 2005."

Renumber all SECTIONS consecutively.

(Reference is to HB 1001 as printed February 17, 2003.)

ESPICH

Upon request of Representatives Espich and Bosma, the Speaker ordered the roll of the House to be called. Roll Call 143: yeas 48, nays 50. Motion failed.

#### HOUSE MOTION (Amendment 1001-7)

Mr. Speaker: I move that House Bill 1001 be amended to read as follows:

Page 108, between lines 44 and 45, begin a new paragraph and insert:

"SECTION 55. IC 6-1.1-20.9-2, AS AMENDED BY P.L.192-2002(ss), SECTION 38, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2003 (RETROACTIVE)]:



Sec. 2. (a) Except as otherwise provided in section 5 of this chapter, an individual who on March 1 of a particular year either owns or is buying a homestead under a contract that provides the individual is to pay the property taxes on the homestead is entitled each calendar year to a credit against the property taxes which the individual pays on the individual's homestead. However, only one (1) individual may receive a credit under this chapter for a particular homestead in a particular year.

(b) The amount of the credit to which the individual is entitled equals the product of:

- (1) the percentage prescribed in subsection (d); multiplied by
- (2) the amount of the individual's property tax liability ~~as that term is defined in IC 6-1.1-21-5, which that is:~~

(A) attributable to the homestead during the particular calendar year; and

(B) determined after the application of the property tax replacement credit under IC 6-1.1-21.

**For purposes of this subsection, the individual's property tax liability is determined in the manner provided by IC 6-1.1-21-5, except that the individual's property tax liability includes the amount of any property tax owed by the individual that is attributable to that part of any property tax levy described in IC 6-1.1-21-2(g)(1)(B) through IC 6-1.1-21-2(g)(1)(K).**

(c) For purposes of determining that part of an individual's property tax liability that is attributable to the individual's homestead, all deductions from assessed valuation which the individual claims under IC 6-1.1-12 or IC 6-1.1-12.1 for property on which the individual's homestead is located must be applied first against the assessed value of the individual's homestead before those deductions are applied against any other property.

(d) The percentage of the credit referred to in subsection (b)(1) is as follows:

YEAR	PERCENTAGE OF THE CREDIT
1996	8%
1997	6%
1998 through 2002	10%
2003 and thereafter	20%

However, the property tax replacement fund board established under IC 6-1.1-21-10, in its sole discretion, may increase the percentage of the credit provided in the schedule for any year, if the board feels that the property tax replacement fund contains enough money for the resulting increased distribution. If the board increases the percentage of the credit provided in the schedule for any year, the percentage of the credit for the immediately following year is the percentage provided in the schedule for that particular year, unless as provided in this subsection the board in its discretion increases the percentage of the credit provided in the schedule for that particular year. However, the percentage credit allowed in a particular county for a particular year shall be increased if on January 1 of a year an ordinance adopted by a county income tax council was in effect in the county which increased the homestead credit. The amount of the increase equals the amount designated in the ordinance.

(e) Before October 1 of each year, the assessor shall furnish to the county auditor the amount of the assessed valuation of each homestead for which a homestead credit has been properly filed under this chapter.

(f) The county auditor shall apply the credit equally to each installment of taxes that the individual pays for the property.

(g) Notwithstanding the provisions of this chapter, a taxpayer other than an individual is entitled to the credit provided by this chapter if:

- (1) an individual uses the residence as the individual's principal place of residence;
- (2) the residence is located in Indiana;
- (3) the individual has a beneficial interest in the taxpayer;
- (4) the taxpayer either owns the residence or is buying it under a contract, recorded in the county recorder's office, that provides that the individual is to pay the property taxes on the residence; and
- (5) the residence consists of a single-family dwelling and the real estate, not exceeding one (1) acre, that immediately

surrounds that dwelling."

Page 137, between lines 16 and 17, begin a new paragraph and insert:

**"SECTION 108. [EFFECTIVE JANUARY 1, 2003 (RETROACTIVE)] IC 6-1.1-20.9-2, as amended by this act, applies to property taxes first due and payable after December 31, 2002."**

Renumber all SECTIONS consecutively.

(Reference is to HB 1001 as printed February 17, 2003.)

TURNER

Upon request of Representatives Turner and Bosma, the Speaker ordered the roll of the House to be called. Roll Call 144: yeas 48, nays 50. Motion failed.

#### HOUSE MOTION (Amendment 1001-3)

Mr. Speaker: I move that House Bill 1001 be amended to read as follows:

Page 21, delete line 23, and insert "**54,724,078 54,724,078**".

Page 21, delete lines 28 through 29.

Page 21, line 30, delete "fund," and insert "**fund, and**".

Page 21, line 30, delete "account, and" and insert "**account.**".

Page 21, delete line 31.

Page 21, line 33, delete "Account," and insert "**Account, and**".

Page 21, line 34, delete ", and the State Highway Fund".

(Reference is to HB 1001 as printed February 17, 2003)

LIGGETT

Motion prevailed.

#### HOUSE MOTION (Amendment 1001-15)

Mr. Speaker: I move that House Bill 1001 be amended to read as follows:

Page 91, after line 43, begin a new paragraph and insert:

**SECTION 34. [EFFECTIVE JULY 1, 2003] (a) The trustees of Indiana University - Purdue University at Fort Wayne may issue and sell bonds under IC 20-12-6, subject to the approvals required by IC 20-12-5.5, for the purpose of constructing, remodeling, renovating, furnishing, and equipping a music building, if the sum of the principal costs of the bonds issued is not more than nineteen million dollars (\$19,000,000).**

**(b) Bonding authority granted by this SECTION is not eligible for fee replacement appropriations until July 1, 2005.**

Renumber all SECTIONS consecutively.

(Reference is to HB 1001 as printed February 17, 2003.)

ALDERMAN

Motion prevailed.

#### HOUSE MOTION (Amendment 1001-16)

Mr. Speaker: I move that House Bill 1001 be amended to read as follows:

Page 93, delete lines 40 through 48.

Page 93, line 50, before "Sec. 7" insert "**(a)**".

**Page 94, line 16, strike "tickets." insert "tickets, which shall not include a terminal or device that may be operated solely by the player without assistance of the retailer".**

Page 94, strike lines 18 through 19.

Page 94, line 20, strike "(11)" and insert "**(10)**".

Page 94, line 21, strike "(12)" and insert "**(11)**".

Page 94, line 22, strike "(13)" and insert "**(12)**".

Page 94, between lines 23 and 24, begin a new paragraph and insert:

**"(b) Lottery games authorized by the commission shall not include keno."**

Page 94, delete line 24.

Page 94, delete lines 25 through 38

(Reference is to HB 1001 as printed February 17, 2003.)

TURNER

Representative Pelath rose to a point of order, citing Rule 80, stating that the motion was not germane to the bill. The Speaker ruled the point was not well taken.



The question was on the motion of Representative Turner (1001-16). Motion prevailed. The bill was ordered engrossed.

## REPORTS FROM COMMITTEES

### COMMITTEE REPORT

Mr. Speaker: Your Committee on Human Affairs, to which was referred House Bill 1020, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 2, line 3, after "facility;" insert **"and"**.

Page 2, line 5, delete "; and" and insert ".".

Page 2, delete lines 6 through 7.

Page 2, between lines 14 and 15, begin a new paragraph and insert:

**"(d) The policies, procedures, and rules adopted under this section must comply with the collective bargaining agreements that the department has entered into."**

Page 2, line 18, delete "shall:" and insert **"shall"**.

Page 2, line 19, delete "(1)".

Page 2, run in lines 18 through 19.

Page 2, line 22, delete "(A)", begin a new line single block indented and insert:

**"(1)"**.

Page 2, line 23, delete "(B)", begin a new line single block indented and insert:

**"(2)"**.

Page 2, delete lines 24 through 26.

Page 2, line 35, after "facility;" insert **"and"**.

Page 2, line 37, delete "; and" and insert ".".

Page 2, delete lines 38 through 39.

Page 3, line 4, after "jail;" insert **"and"**.

Page 3, line 6, delete "; and" and insert ".".

Page 3, delete lines 7 through 8.

(Reference is to HB 1020 as introduced.)

and when so amended that said bill do pass.

Committee Vote: yeas 9, nays 2.

SUMMERS, Chair

Report adopted.

### COMMITTEE REPORT

Mr. Speaker: Your Committee on Agriculture, Natural Resources and Rural Development, to which was referred House Bill 1118, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Delete everything after the enacting clause and insert the following:

SECTION 1. IC 14-22-6-12 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 12. (a) A person

~~(1) who possesses owns, rents, or leases land or~~

~~(2) designated in writing by a person who possesses land;~~

may take coyotes on the land at any time **using any of the following:**

**(1) A firearm.**

**(2) A bow and arrow.**

**(3) A crossbow.**

**(4) A trap.**

**(b) A person who owns, rents, or leases land may allow or employ another person to take coyotes on the land at any time using a method specified under subsection (a).**

(Reference is to HB 1118 as introduced.)

and when so amended that said bill do pass.

Committee Vote: yeas 12, nays 0.

BISCHOFF, Chair

Report adopted.

### COMMITTEE REPORT

Mr. Speaker: Your Committee on Education, to which was referred House Bill 1121, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Delete everything after the enacting clause and insert the following:

SECTION 1. IC 20-12-22.2 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]:

#### **Chapter 22.2. Teacher Recruitment and Retention Fund**

**Sec. 1.** As used in this chapter, "fund" refers to the teacher recruitment and retention fund established by section 3 of this chapter.

**Sec. 2.** As used in this chapter, "board" refers to the professional standards board established by IC 20-1-1.4-2.

**Sec. 3. (a)** The teacher recruitment and retention fund is established.

**(b)** The purpose of the fund is to attract additional qualified teachers to the geographical areas of Indiana where there is a critical shortage of teachers, as determined by the board, by granting loan repayment assistance authorized under this chapter to eligible applicants.

**(c)** The fund consists of the following:

**(1)** Appropriations made by the general assembly.

**(2)** Gifts, grants, devises, or bequests made to the state in order to achieve the purposes of the fund.

**(d)** The fund shall be administered by the board. The expenses of administering the fund shall be paid from money in the fund.

**(e)** Funds appropriated to the fund shall be placed in the state treasury to the credit of the teacher recruitment and retention fund. Loan repayment assistance payments shall be made out of this fund by the treasurer of state upon a warrant issued by the auditor of state in accordance with rules adopted by the board.

**Sec. 4.** The board shall receive and consider all applications for loan repayment assistance it receives from teachers with outstanding guaranteed student loans made, issued, or guaranteed under a program authorized by Title IV of the Higher Education Act of 1965 (20 U.S.C. 1070 et seq.).

**Sec. 5. (a)** To qualify for loan repayment assistance for student loans under this chapter a person must:

**(1)** hold a license to teach under IC 20-6.1-3;

**(2)** complete at least one (1) year of teaching service in a geographical area of Indiana where a critical shortage of teachers exists, as determined by the board;

**(3)** agree in writing to the employment requirements set forth in section 7 of this chapter; and

**(4)** meet any additional criteria established by the board.

**(b)** For each year for which a teacher qualifies under subsection (a), the board may grant loan repayment assistance to the teacher in an amount not to exceed the lesser of:

**(1)** fifty percent (50%) of the total principal and interest of the guaranteed student loans owed by the teacher during the year for which the teacher qualifies under subsection (a); or

**(2)** three thousand dollars (\$3,000).

**(c)** The loan repayment assistance granted to a qualified teacher under this chapter must be used to reduce the principal and interest on a guaranteed student loan owed by that qualified teacher. The years of service rendered to obtain loan repayment assistance for student loans must be consecutive and may not exceed five (5) years. The maximum amount of loan repayment assistance that may be granted to any qualified teacher is fifteen thousand dollars (\$15,000).

**Sec. 6.** A qualified teacher must apply for a loan repayment on an application form supplied by the board. The board shall consider each application and determine the eligibility of the applicant for the loan repayment assistance.

**Sec. 7. (a)** Before being granted loan repayment assistance under this chapter, each qualified teacher must enter into a contract with the board agreeing to the terms and conditions upon which the loan repayment assistance will be granted to the qualified teacher.

**(b)** As a condition of being granted loan repayment assistance under this chapter, a teacher must agree to employment for a period of at least five (5) years as a licensed teacher in a school district located in a geographical area of Indiana where a critical

shortage of teachers exists.

(c) Service rendered by a teacher in a geographical area where a critical shortage of teachers exists before that teacher becomes a participant in the program may not be considered to have fulfilled the employment commitment required by subsection (b).

(d) A person failing to comply with the employment commitment required by subsection (b) in any required school year is immediately in breach of contract and becomes liable immediately to the board for the sum of all loan payments awarded to that person, less one-third (1/3) of the amount of that sum for each year that service was rendered, plus interest accruing at the current federal Stafford Loan rate at the time the breach occurs.

Sec. 8. The board shall maintain complete and accurate records in implementing the loan repayment fund, including records of the following:

- (1) The receipt, disbursement, and uses of funds.
- (2) The number of applications for loan repayment assistance.
- (3) The number and amount of loans for which loan repayment assistance has been provided by the board.
- (4) Other pertinent information requested by the board.

Sec. 9. The board may adopt rules under IC 4-22-2 necessary to carry out this chapter, including rules governing the enforcement of any employment requirements and repayment requirements.

(Reference is to HB 1121 as introduced.)  
and when so amended that said bill do pass.

Committee Vote: yeas 12, nays 0.

PORTER, Chair

Report adopted.

#### COMMITTEE REPORT

Mr. Speaker: Your Committee on Ways and Means, to which was referred House Bill 1166, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill do pass.

Committee Vote: yeas 27, nays 0.

CRAWFORD, Chair

Report adopted.

#### COMMITTEE REPORT

Mr. Speaker: Your Committee on Ways and Means, to which was referred House Bill 1171, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill do pass.

Committee Vote: yeas 23, nays 0.

CRAWFORD, Chair

Report adopted.

#### COMMITTEE REPORT

Mr. Speaker: Your Committee on Ways and Means, to which was referred House Bill 1197, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill do pass.

Committee Vote: yeas 26, nays 0.

CRAWFORD, Chair

Report adopted.

#### COMMITTEE REPORT

Mr. Speaker: Your Committee on Ways and Means, to which was referred House Bill 1200, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill do pass.

Committee Vote: yeas 26, nays 0.

CRAWFORD, Chair

Report adopted.

#### COMMITTEE REPORT

Mr. Speaker: Your Committee on Ways and Means, to which was referred House Bill 1201, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill do pass.

Committee Vote: yeas 21, nays 0.

CRAWFORD, Chair

Report adopted.

#### COMMITTEE REPORT

Mr. Speaker: Your Committee on Ways and Means, to which was referred House Bill 1286, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill do pass.

Committee Vote: yeas 21, nays 0.

CRAWFORD, Chair

Report adopted.

#### COMMITTEE REPORT

Mr. Speaker: Your Committee on Education, to which was referred House Bill 1278, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 2, line 29, after "was" insert "**a resident of Indiana and was**".

(Reference is to HB 1278 as introduced.)  
and when so amended that said bill do pass.

Committee Vote: yeas 10, nays 0.

PORTER, Chair

Report adopted.

#### COMMITTEE REPORT

Mr. Speaker: Your Committee on Public Health, to which was referred House Bill 1458, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Delete the title and insert the following:

A BILL FOR AN ACT to amend the Indiana Code concerning Medicaid.

Page 1, between the enacting clause and line 1, begin a new paragraph and insert:

"SECTION 1. IC 12-15-35-28, AS AMENDED BY P.L.107-2002, SECTION 17, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 28. (a) The board has the following duties:

(1) The adoption of rules to carry out this chapter, in accordance with the provisions of IC 4-22-2 and subject to any office approval that is required by the federal Omnibus Budget Reconciliation Act of 1990 under Public Law 101-508 and its implementing regulations.

(2) The implementation of a Medicaid retrospective and prospective DUR program as outlined in this chapter, including the approval of software programs to be used by the pharmacist for prospective DUR and recommendations concerning the provisions of the contractual agreement between the state and any other entity that will be processing and reviewing Medicaid drug claims and profiles for the DUR program under this chapter.

(3) The development and application of the predetermined criteria and standards for appropriate prescribing to be used in retrospective and prospective DUR to ensure that such criteria and standards for appropriate prescribing are based on the compendia and developed with professional input with provisions for timely revisions and assessments as necessary.

(4) The development, selection, application, and assessment of interventions for physicians, pharmacists, and patients that are educational and not punitive in nature.

(5) The publication of an annual report that must be subject to public comment before issuance to the federal Department of

Health and Human Services and to the Indiana legislative council by December 1 of each year.

(6) The development of a working agreement for the board to clarify the areas of responsibility with related boards or agencies, including the following:

- (A) The Indiana board of pharmacy.
- (B) The medical licensing board of Indiana.
- (C) The SURS staff.

(7) The establishment of a grievance and appeals process for physicians or pharmacists under this chapter.

(8) The publication and dissemination of educational information to physicians and pharmacists regarding the board and the DUR program, including information on the following:

- (A) Identifying and reducing the frequency of patterns of fraud, abuse, gross overuse, or inappropriate or medically unnecessary care among physicians, pharmacists, and recipients.
- (B) Potential or actual severe or adverse reactions to drugs.
- (C) Therapeutic appropriateness.
- (D) Overutilization or underutilization.
- (E) Appropriate use of generic drugs.
- (F) Therapeutic duplication.
- (G) Drug-disease contraindications.
- (H) Drug-drug interactions.
- (I) Incorrect drug dosage and duration of drug treatment.
- (J) Drug allergy interactions.
- (K) Clinical abuse and misuse.

(9) The adoption and implementation of procedures designed to ensure the confidentiality of any information collected, stored, retrieved, assessed, or analyzed by the board, staff to the board, or contractors to the DUR program that identifies individual physicians, pharmacists, or recipients.

(10) The implementation of additional drug utilization review with respect to drugs dispensed to residents of nursing facilities shall not be required if the nursing facility is in compliance with the drug regimen procedures under 410 IAC 16.2-3-8 and 42 CFR 483.60.

(11) The research, development, and approval of a preferred drug list for:

- (A) Medicaid's fee for service program;
- (B) Medicaid's primary care case management program; and
- (C) the primary care case management component of the children's health insurance program under IC 12-17.6;

in consultation with the therapeutics committee.

(12) The approval of the review and maintenance of the preferred drug list at least two (2) times per year.

(13) The preparation and submission of a report concerning the preferred drug list at least two (2) times per year to the select joint commission on Medicaid oversight established by IC 2-5-26-3.

(14) The collection of data reflecting prescribing patterns related to treatment of children diagnosed with attention deficit disorder or attention deficit hyperactivity disorder.

(b) The board shall use the clinical expertise of the therapeutics committee in developing a preferred drug list. The board shall also consider expert testimony in the development of a preferred drug list.

(c) In researching and developing a preferred drug list under subsection (a)(11), the board shall do the following:

- (1) Use literature abstracting technology.
- (2) Use commonly accepted guidance principles of disease management.
- (3) Develop therapeutic classifications for the preferred drug list.
- (4) Give primary consideration to the clinical efficacy or appropriateness of a particular drug in treating a specific medical condition.
- (5) Include in any cost effectiveness considerations the cost implications of other components of the state's Medicaid program and other state funded programs.

(d) Prior authorization is required for coverage under a program described in subsection (a)(11) of a drug that **is not included on has been excluded from** the preferred drug list.

(e) The board shall determine whether to include a single source covered outpatient drug that is newly approved by the federal Food and Drug Administration on the preferred drug list not later than sixty (60) days after the date **on which the manufacturer notifies the board in writing** of the drug's approval. However, if the board determines that there is inadequate information about the drug available to the board to make a determination, the board may have an additional sixty (60) days to make a determination from the date that the board receives adequate information to perform the board's review. Prior authorization may not be ~~automatically~~ required for a single source drug that is newly approved by the federal Food and Drug Administration, **and that is:**

~~(1) in a therapeutic classification;~~

~~(A) that has not been reviewed by the board; and~~

~~(B) for which prior authorization is not required; or~~

~~(2) the sole drug in a new therapeutic classification that has not been reviewed by the board.~~

**pending a determination by the board under this chapter.**

(f) The board may not exclude a drug from the preferred drug list based solely on price.

(g) The following requirements apply to a preferred drug list developed under subsection (a)(11):

(1) **Except as provided by IC 12-15-35.5-3(b)**, the office or the board may require prior authorization for a drug that is included on the preferred drug list under the following circumstances:

(A) To override a prospective drug utilization review alert.

(B) To permit reimbursement for a medically necessary brand name drug that is subject to generic substitution under IC 16-42-22-10.

(C) To prevent fraud, abuse, waste, overutilization, or inappropriate utilization.

(D) To permit implementation of a disease management program.

(E) To implement other initiatives permitted by state or federal law.

(2) All drugs described in IC 12-15-35.5-3(b) must be included on the preferred drug list.

(3) The office may add a **new single source** drug that has been approved by the federal Food and Drug Administration to the preferred drug list without prior approval from the board.

(4) The board may add a **new single source** drug that has been approved by the federal Food and Drug Administration to the preferred drug list.

(h) At least two (2) times each year, the board shall provide a report to the select joint commission on Medicaid oversight established by IC 2-5-26-3. The report must contain the following information:

(1) The cost of administering the preferred drug list.

(2) Any increase in Medicaid physician, laboratory, or hospital costs or in other state funded programs as a result of the preferred drug list.

(3) The impact of the preferred drug list on the ability of a Medicaid recipient to obtain prescription drugs.

(4) The number of times prior authorization was requested, and the number of times prior authorization was:

(A) approved; and

(B) disapproved.

(i) The board shall provide the first report required under subsection (h) not later than six (6) months after the board submits an initial preferred drug list to the office.

SECTION 2. IC 12-15-35-28.7, AS ADDED BY P.L.107-2002, SECTION 19, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 28.7. (a) The board shall submit the initial approved preferred drug list to the office not later than August 1, 2002.

(b) Except as permitted under subsection (g), the office may not further restrict the status of a drug in the Medicaid program or the children's health insurance program until the board reviews a therapeutic classification and the office implements the therapeutic classification on the preferred drug list.

(c) The office shall provide advance notice to providers of the

contents of the preferred drug list submitted by the board under subsection (a).

(d) Notwithstanding IC 12-15-13-6, the office shall implement any change in the preferred drug list not later than thirty (30) days after the date the board submits the amended list to the office.

(e) **Except as provided by section 28(g)(3) of this chapter**, the office may not implement a preferred drug list or an amendment to the preferred drug list that has not been approved by the board.

(f) The office may not require prior authorization for a drug that is excluded from the preferred drug list unless the board has made the determinations required under section 35 of this chapter.

(g) The office may adopt rules under IC 4-22-2 necessary to carry out this chapter.

SECTION 3. IC 12-15-35-43.5, AS ADDED BY P.L.107-2002, SECTION 21, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 43.5. (a) The board, the therapeutics committee, or the office may not release proprietary or confidential information obtained as part of the development, implementation, or maintenance of a preferred drug list under this chapter.

**(b) Information described in subsection (a) is confidential for purposes of IC 5-14-3-4(a)(1).**

SECTION 4. IC 12-15-35-2.5, AS ADDED BY P.L.107-2002, SECTION 23, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 2.5. As used in this chapter, "unrestricted access" means the ability of a recipient to obtain a prescribed drug without being subject to limits or preferences imposed by the office or the board for the purpose of cost savings **except to address situations described in IC 12-15-35-28(a)(8)(A) through (K) and as provided under IC 12-15-35-8 and section 7 of this chapter.**

Page 2, line 5, after "act;" insert "**and**".

Page 2, line 11, delete "; and" and insert ".".

Page 2, delete lines 12 through 13.

Renumber all SECTIONS consecutively.

(Reference is to HB 1458 as introduced.)

and when so amended that said bill do pass.

Committee Vote: yeas 10, nays 0.

C. BROWN, Chair

Report adopted.

#### COMMITTEE REPORT

Mr. Speaker: Your Committee on Ways and Means, to which was referred House Bill 1489, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Delete the title and insert the following:

A BILL FOR AN ACT to amend the Indiana Code concerning transportation.

Page 1, delete lines 1 through 13.

Page 1, line 14, delete "costs associated with".

Page 1, line 14, before "the", begin a new paragraph and insert:

"SECTION 1. IC 8-10-1-1.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 1.5. **The commission may exercise any of its powers related to ports and port projects to do any of the following with respect to**".

Page 1, between lines 15 and 16, begin a new line block indented and insert:

**"(1) Cooperate with the interstate rail passenger advisory council and the department of transportation to effectuate the interstate high speed intercity rail passenger network compact (IC 8-3-19).**

**(2) Cooperate with the midwest interstate passenger rail compact commission and the department of transportation to carry out the midwest interstate passenger rail compact (IC 8-3-22) and seek development of a long term, interstate plan for high speed rail passenger service implementation.**

**(3) Pay any of the following costs:"**

Page 1, line 16, delete "(1)", begin a new line double block indented, and insert:

**"(A)".**

Page 2, line 1, delete "(2)", begin a new line double block indented, and insert:

**"(B)".**

Page 2, line 2, delete "(3)", begin a new line double block indented, and insert:

**"(C)".**

Page 2, line 4, delete "(4)", begin a new line double block indented, and insert:

**"(D)".**

Page 2, line 4, delete "determines" and insert **"of transportation and the commission agree"**.

Page 2, delete lines 6 through 20.

Renumber all SECTIONS consecutively.

(Reference is to HB 1489 as printed January 29, 2003.)

and when so amended that said bill do pass.

Committee Vote: yeas 26, nays 0.

CRAWFORD, Chair

Report adopted.

#### COMMITTEE REPORT

Mr. Speaker: Your Committee on Labor and Employment, to which was referred House Bill 1523, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Delete the title and insert the following:

A BILL FOR AN ACT concerning pensions.

Delete everything after the enacting clause and insert the following:

SECTION 1. [EFFECTIVE JULY 1, 2003] (a) **As used in this SECTION, "PERF board" refers to the public employees' retirement fund board of trustees established by IC 5-10-3-1.**

**(b) As used in this SECTION, "fund" refers to the fund for the defined contribution plan of the legislators' retirement system established by IC 2-3.5-3-2.**

**(c) Beginning January 1, 2004, the PERF board shall conduct a pilot program concerning:**

**(1) the implementation of a member's investment selection; and**

**(2) the crediting of a member's contributions and earnings; for the fund.**

**(d) The pilot program referred to in subsection (c) must include the following elements:**

**(1) Notwithstanding IC 2-3.5-5-3(b)(2), the PERF board shall implement a member's selection under IC 2-3.5-5-3 not later than the next business day following receipt of the member's selection by the PERF board. This date is the effective date of the member's selection.**

**(2) Notwithstanding IC 2-3.5-5-3(b)(7), all contributions to a member's account in the fund must be allocated under IC 2-3.5-5-3 not later than the last day of the quarter in which the contributions are received and reconciled in accordance with the member's most recent effective direction.**

**(3) Notwithstanding IC 2-3.5-5-3(c) and IC 2-3.5-5-3(d), when a member retires, becomes disabled, dies, or withdraws from the fund, the amount credited to the member is the market value of the member's investment as of five (5) business days preceding the member's distribution or annuitization at retirement, disability, death, or withdrawal, plus contributions received after that date.**

**(4) Notwithstanding IC 2-3.5-5-4, contributions to the fund under IC 2-3.5-5-4 must be credited to the fund not later than the last day of the quarter in which the contributions were deducted.**

**(5) Notwithstanding IC 2-3.5-5-5, the state shall make contributions under IC 2-3.5-5-5 to the fund not later than the last day of each quarter. The contributions must equal twenty percent (20%) of the annual salary received by each participant during that quarter.**

(e) Before November 1, 2005, the PERF board shall report to the pension management oversight commission established by IC 2-5-12 the results of the pilot program referred to in subsection (c).

(f) This SECTION expires December 31, 2005.

(Reference is to HB 1523 as introduced.)

and when so amended that said bill do pass.

Committee Vote: yeas 12, nays 0.

LIGGETT, Chair

Report adopted.

#### COMMITTEE REPORT

Mr. Speaker: Your Committee on Public Policy, Ethics and Veterans Affairs, to which was referred House Bill 1528, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Delete the title and insert the following:

A BILL FOR AN ACT to amend the Indiana Code concerning state offices and administration.

Delete everything after the enacting clause and insert the following:

SECTION 1. IC 4-33-6-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 1. (a) The commission may issue to a person a license to own ~~one~~ **(1)** a riverboat subject to the numerical and geographical limitation of owner's licenses under this section, **section 3.5 of this chapter**, and IC 4-33-4-17. However, not more than eleven (11) owner's licenses may be in effect at any time. Except as provided in subsection (b), those eleven (11) licenses are as follows:

(1) Two (2) licenses for a riverboat that operates from the largest city located in the counties described under IC 4-33-1-1(1).

(2) One (1) license for a riverboat that operates from the second largest city located in the counties described under IC 4-33-1-1(1).

(3) One (1) license for a riverboat that operates from the third largest city located in the counties described under IC 4-33-1-1(1).

(4) One (1) license for a city located in the counties described under IC 4-33-1-1(1). This license may not be issued to a city described in subdivisions (1) through (3).

(5) A total of five (5) licenses for riverboats that operate upon the Ohio River from counties described under IC 4-33-1-1(2).

The commission may not issue a license to an applicant if the issuance of the license would result in more than one (1) riverboat operating from a county described in IC 4-33-1-1(2).

(6) One (1) license for a riverboat that operates upon Patoka Lake from a county described under IC 4-33-1-1(3).

(b) If a city described in subsection (a)(2) or (a)(3) conducts two (2) elections under section 20 of this chapter, and the voters of the city do not vote in favor of permitting riverboat gambling at either of those elections, the license assigned to that city under subsection (a)(2) or (a)(3) may be issued to any city that:

(1) does not already have a riverboat operating from the city; and

(2) is located in a county described in IC 4-33-1-1(1).

SECTION 2. IC 4-33-6-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 3. The commission may not issue an owner's license under this chapter to a person if:

(1) the person has been convicted of a felony under Indiana law, the laws of any other state, or laws of the United States;

(2) the person has knowingly or intentionally submitted an application for a license under this chapter that contains false information;

(3) the person is a member of the commission;

(4) the person is an officer, a director, or a managerial employee of a person described in subdivision (1) or (2);

(5) the person employs an individual who:

(A) is described in subdivision (1), (2), or (3); and

(B) participates in the management or operation of gambling

operations authorized under this article;

(6) the person owns an ownership interest of more than ~~ten percent (10%)~~ in more than one ~~(1)~~ other person holding an owner's license issued under the total amount of ownership interests permitted under section 3.5 of this chapter; or

(7) a license issued to the person:

(A) under this article; or

(B) to own or operate gambling facilities in another jurisdiction;

has been revoked.

SECTION 3. IC 4-33-6-3.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: **Sec. 3.5. (a) For purposes of this section, a person is considered to have an ownership interest in a riverboat owner's license if the interest is owned directly or indirectly by the person or by an entity controlled by the person.**

**(b) A person may have up to a one hundred percent (100%) ownership interest in not more than two (2) riverboat licenses issued under this chapter.**

**(c) A person may not have an ownership interest in more than two (2) riverboat owner's licenses issued under this chapter.**

**(d) This section may not be construed to increase the maximum number of licenses permitted under section 1 of this chapter or the number of riverboats that may be owned and operated under a license under section 10 of this chapter.**

(Reference is to HB 1528 as introduced.)

and when so amended that said bill do pass.

Committee Vote: yeas 13, nays 0.

LYTLE, Chair

Report adopted.

#### COMMITTEE REPORT

Mr. Speaker: Your Committee on Ways and Means, to which was referred House Bill 1556, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill do pass.

Committee Vote: yeas 26, nays 1.

CRAWFORD, Chair

Report adopted.

#### COMMITTEE REPORT

Mr. Speaker: Your Committee on Public Policy, Ethics and Veterans Affairs, to which was referred House Bill 1598, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 1, delete lines 1 through 17.

Page 2, delete lines 1 through 18.

Page 2, between lines 31 and 32, begin a new paragraph and insert:

"SECTION 2. IC 4-31-2-1.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: **Sec. 1.5. "Allowed city" means a city that has a population that is greater than two hundred thousand (200,000)."**

Page 2, line 35, after "public" insert **"at a facility authorized under IC 4-33-7.5"**.

Page 2, line 37, after "pool" insert **"."**.

Page 2, line 37, delete "consisting of the total amount".

Page 2, delete lines 38 through 40.

Page 3, line 15, delete "January 1, 2002;" and insert **"July 1, 2003;"**.

Page 3, line 16, after "(2)" insert **"operates or"**.

Page 3, line 16, delete "a county" and insert **"an allowed city."**.

Page 3, delete line 17.

Page 4, line 32, delete "January 1, 2002;" and insert **"July 1, 2003;"**.

Page 4, line 33, after "(2)" insert **"operates or"**.

Page 4, line 33, delete "a county" and insert **"an allowed city."**.

Page 4, delete line 34.

Page 6, line 21, delete "January 1, 2002;" and insert "**July 1, 2003;**".

Page 6, line 22, after "(2)" insert "**operates or**".

Page 6, line 22, delete "a county" and insert "**an allowed city.**".

Page 6, delete line 23.

Page 7, line 19, strike "four (4)" and insert "**two (2)**".

Page 8, delete lines 23 through 27, begin a new line block indented and insert:

**"(6) Satellite facilities are limited to the following locations:**

**(A) An allowed city.**

**(B) A city, other than an allowed city, in which the permit holder's satellite facility operations began before March 1, 2003.**

**(7) A permit holder may not hold more than one license issued for the operation of a satellite facility in an allowed city, unless the permit holder holds a license issued for the operation of a satellite facility in an allowed city jointly with another permit holder.**

**(c) The number of licenses issued for the operation of a satellite facility in the allowed cities may not exceed two (2). However, an allowed city may not contain more than one (1) satellite facility. A license issued for the operation of a satellite facility in an allowed city may be jointly held by more than one (1) permit holder.**

**(d) Notwithstanding any other provision of this chapter, a permit holder licensed to sell pari-mutuel pull tabs under IC 4-31-7.5 shall surrender any satellite facility license held by the permit holder for the operation of a satellite facility at any location other than a location specified in subsection (b)(6).**

**(e) If:**

**(1) a permit holder is issued a license under IC 4-31-7.5 to sell pari-mutuel pull tabs at a satellite facility located in an allowed city; and**

**(2) the permit holder is operating a satellite facility in an allowed city under a license issued before March 1, 2003;**

**the permit holder shall cease operations at the satellite facility described in subdivision (2) and surrender the license under which the satellite facility had been operated before commencing operations at a satellite facility licensed to sell pari-mutuel pull tabs."**

Page 10, line 31, delete "and".

Page 10, between lines 31 and 32, begin a new line block indented and insert:

**"(6) a voluntary exclusion program; and"**

Page 10, line 32, delete "(6)" and insert "(7)".

Page 11, between lines 25 and 26, begin a new paragraph and insert:

**"(g) The Indiana gaming commission may not issue a license under this chapter unless the permit holder has executed an agreement with the mayor of an allowed city concerning the conditions under which the city and the permit holder agree that a satellite facility should be located and operated in the city. An agreement under this subsection:**

**(1) must promote the public health, safety, and welfare of the city;**

**(2) may include provisions for revenue sharing, grants, housing development, employment opportunities, investment, assistance with the satellite facility, use of revenues, and any other terms and conditions mutually agreed upon; and**

**(3) must be executed before April 1, 2004.**

**An agreement executed under this subsection is binding upon the issuance of a license under this chapter by the Indiana gaming commission, subject to the other provisions of this chapter. The agreement may not supersede any applicable zoning laws. The permit holder is under a continuing duty to remain in compliance with the terms of the agreement executed under this subsection to retain the permit holder's pari-mutuel pull tab license. The Indiana gaming commission may revoke a pari-mutuel pull tab license for noncompliance with the terms of an agreement executed under this subsection.**

**(h) Money received by any unit of government under an**

**agreement executed under subsection (g) is considered miscellaneous revenue. The money may not be used to reduce the unit's maximum levy under IC 6-1.1-18.5 or IC 6-1.1-19, but may be used at the discretion of the unit to reduce the property tax levy for a particular year. The money may be used for any legal or corporate purpose of the unit, including the pledge of money to bonds, leases, or other obligations under IC 5-1-14-4. In the case of an allowed city subject to IC 36-7-15.1-35.5, the agreement executed under subsection (g) must dedicate at least twenty percent (20%) of the money received under the agreement to the housing trust fund established under IC 36-7-15.1-35.5(e).**

**(i) Notwithstanding any other law, a permit holder may not sell pari-mutuel pull tabs at the permit holder's race track until the permit holder has executed an agreement with the mayor of an allowed city under subsection (g)."**

Page 12, line 22, after "in" delete "a" and insert "**an allowed city.**".

Page 12, delete lines 23 through 27, begin a new paragraph and insert:

**"Sec. 10. A permit holder may not install more than:**

**(1) seven hundred fifty (750) pull tab terminals or devices on the premises of the permit holder's live pari-mutuel horse racing facility; and**

**(2) one thousand five hundred (1,500) pull tab terminals or devices on the premises of the permit holder's satellite facility located in an allowed city."**

Page 13, between lines 34 and 35, begin a new paragraph and insert:

**"Sec. 20. (a) The Indiana gaming commission may eject or exclude or authorize the ejection or exclusion of a person from a pari-mutuel pull tab wagering facility if:**

**(1) the person's name is on the list of persons voluntarily excluding themselves from all pari-mutuel pull tab facilities in a program established under the rules of the Indiana gaming commission;**

**(2) the person violates this chapter; or**

**(3) the Indiana gaming commission determines that the person's conduct or reputation is such that the person's presence within the pari-mutuel pull tab wagering facility may:**

**(A) call into question the honesty and integrity of the pari-mutuel pull tab operations; or**

**(B) interfere with the orderly conduct of the pari-mutuel pull tab operations.**

**(b) A person may petition the Indiana gaming commission for a hearing on the person's ejection or exclusion under this section."**

Page 14, line 34, delete "of:" and insert "**of thirty-one percent (31%).**".

Page 14, delete lines 35 through 42.

Page 15, delete lines 1 through 5.

Page 15, delete lines 23 through 42.

Delete pages 16 through 18.

Page 19, delete lines 1 through 23, begin a new paragraph and insert:

**"(c) Before the fifteenth day of each month, the treasurer of state shall distribute the tax revenue deposited in the state pull tab wagering fund under this section in the preceding months as follows:**

**(1) Thirty percent (30%) of the tax revenue remitted by each permit holder's racetrack shall be paid as follows:**

**(A) In the case of a racetrack that is located in a county having a population of more than one hundred thirty thousand (130,000) but less than one hundred forty-five thousand (145,000), the tax revenue remitted by the racetrack shall be paid as follows:**

**(i) Fifty-eight percent (58%) to a city having a population of more than fifty-nine thousand seven hundred (59,700) but less than sixty-five thousand (65,000).**

(ii) Seventeen percent (17%) to the capital projects fund of the county for distribution by the county legislative body.

(iii) Seventeen percent (17%) to the school corporations located in the county. The tax revenue distributed under this item must be divided among the school corporations on a pro rata basis according to the ratio the number of county resident students enrolled in each school corporation bears to the total number of county resident students enrolled in the school corporations located in the county. Revenue received by a school corporation under this item is considered miscellaneous revenue.

(iv) Eight percent (8%) to the incorporated cities and towns located in the county other than a city described in item (i). The tax revenue distributed under this item must be divided among the cities and towns on a pro rata basis according to the ratio the population of each city or town bears to the total population of the county minus the population of a city described in item (i).

(B) In the case of a racetrack that is located in a county having a population of more than forty-three thousand (43,000) but less than forty-five thousand (45,000), the tax revenues remitted by the racetrack shall be paid as follows:

(i) Forty-one and five-tenths percent (41.5%) to the county.

(ii) Forty-one and five-tenths percent (41.5%) to a city having a population of more than seventeen thousand nine hundred (17,900) but less than eighteen thousand one hundred (18,100).

(iii) Seventeen and five-tenths percent (17.5%) to the school corporations located in the county. The tax revenue distributed under this item must be divided among the school corporations on a pro rata basis according to the ratio the number of county resident students enrolled in each school corporation bears to the total number of county resident students enrolled in the school corporations located in the county. Revenue received by a school corporation under this item is considered miscellaneous revenue.

(2) After the distributions required under subdivision (1) are made, the remainder of the tax revenues deposited in the state pull tab wagering fund shall be paid as follows:

(A) Fifty percent (50%) shall be paid to the state general fund.

(B) Fifty percent (50%) shall be set aside for revenue sharing under subsection (d).

(d) Before August 15, 2004, and each year thereafter, the treasurer of state shall distribute the money deposited in the state pull tab wagering fund and set aside for revenue sharing under subsection (c)(2)(B) to the county treasurer of each county that does not have a riverboat or a satellite facility authorized to sell pari-mutuel pull tabs according to the ratio that the county's population bears to the total population of the counties that do not have a riverboat or a satellite facility authorized to sell pari-mutuel pull tabs. The county auditor shall distribute the money received by the county under this subsection as follows:

(1) To each city located in the county according to the ratio the city's population bears to the total population of the county.

(2) To each town located in the county according to the ratio the town's population bears to the total population of the county.

(3) After the distributions required in subdivisions (1) and (2) are made, the remainder shall be retained by the county.

(e) Money received by a city, town, or county under subsection (d):

(1) may not be used to reduce the unit's maximum levy under IC 6-1.1-18.5, but may be used at the discretion of

the unit to reduce the property tax levy for a particular year;

(2) may be used for any legal or corporate purpose, including the pledge of money to bonds, leases, or other obligations under IC 5-1-14-4; and

(3) is considered miscellaneous revenue.

Sec. 8. (a) Before the fifteenth day of each month a permit holder shall pay a fee to the commission for the promotion of horse racing that is equal to the percentage set forth in subsection (b) of the permit holder's net receipts from the preceding month.

(b) The fee required under subsection (a) is equal to the following percentages of the permit holder's net receipts:

Year 1	9%
Year 2	15%
Year 3 and each year thereafter	19.25%

(c) Money paid to the commission under this section must be distributed as follows:

(1) At least two hundred fifty thousand dollars (\$250,000) but not more than one percent (1%) is to be distributed in equal amounts for the support and operation of the following horsemen's associations (as defined in IC 4-31-8-6):

(A) The horsemen's associations representing the standardbred owners and trainers.

(B) The horsemen's associations representing the thoroughbred owners and trainers.

(C) The horsemen's associations representing the quarterhorse owners and trainers.

(2) The remainder is to be distributed, in amounts determined by the commission, for the promotion and operation of horse racing, as follows:

(i) To a breed development fund established by the commission under IC 4-31-11-10.

(ii) To each racetrack that has been approved by the commission under this article. The commission may make a grant under this item only for purses, promotions, and routine operations."

Page 29, line 25, delete "pull tab wagering tax revenues," and insert "fees".

Page 29, line 26, delete "IC 4-31-7.6-7." and insert "IC 4-31-7.6-8."

Page 29, line 28, delete "pull tab wagering tax revenues" and insert "fees".

Page 35, after line 21, begin a new paragraph and insert:

"SECTION 40. [EFFECTIVE JULY 1, 2003] (a) If any provision of this act, as enacted or later amended, or its application to any person or circumstance is held invalid, the invalidity does not affect other provisions that can be given effect without the invalid provision or application.

(b) Each part and application of every statute set forth in this act is severable. If any provision or application of any part of the act is held invalid, the invalidity does not affect the remainder of the act unless:

(1) the remainder is so essentially and inseparably connected with and so dependent upon the invalid provision or application that it cannot be presumed that the remainder would have been enacted without the invalid provision or application; or

(2) the remainder is incomplete and incapable of being executed in accordance with the legislative intent without the invalid provision or application.

SECTION 41. [EFFECTIVE JULY 1, 2003] The allowed cities (as defined in IC 4-31-2-1.5, as added by this act) are presented with unique challenges with regard to:

(1) the delivery, affordability, availability, and need for:

(A) housing;

(B) infrastructure;

(C) transportation;

(D) educational opportunities; and

(E) economic development for;

the residents of the allowed cities;



(2) the inability of the allowed cities to derive significant economic benefits, including employment and investment opportunities, from the presence of casino gaming operations because of the distance between the cities and Indiana's casino gaming operations; and  
 (3) the large number of exempt properties, the urban character of the community, the demands placed on the cities' assets by commuters, tourists, and business visitors, and the age of many of the cities' systems and facilities."

Renumber all SECTIONS consecutively.  
 (Reference is to HB 1598 as introduced.)  
 and when so amended that said bill do pass.

Committee Vote: yeas 9, nays 4.

LYTLE, Chair

Report adopted.

#### COMMITTEE REPORT

Mr. Speaker: Your Committee on Human Affairs, to which was referred House Bill 1630, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill do pass.

Committee Vote: yeas 9, nays 2.

SUMMERS, Chair

Report adopted.

#### COMMITTEE REPORT

Mr. Speaker: Your Committee on Human Affairs, to which was referred House Bill 1718, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 1, line 3, delete "Before" and insert "**Beginning on July 1, 2004, before**".

(Reference is to HB 1718 as introduced.)  
 and when so amended that said bill do pass.

Committee Vote: yeas 10, nays 0.

SUMMERS, Chair

Report adopted.

#### COMMITTEE REPORT

Mr. Speaker: Your Committee on Ways and Means, to which was referred House Bill 1757, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 4, delete lines 36 through 40.

Renumber all SECTIONS consecutively.

(Reference is to HB 1757 as printed February 11, 2003.)

and when so amended that said bill do pass.

Committee Vote: yeas 27, nays 0.

CRAWFORD, Chair

Report adopted.

#### COMMITTEE REPORT

Mr. Speaker: Your Committee on Ways and Means, to which was referred House Bill 1802, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 2, between lines 38 and 39, begin a new line block indented and insert:

**"(5) On Easter Sunday and until 7:00 o'clock in the morning prevailing local time, the following day."**

Page 3, line 7, delete "(a)(2)" and insert "(a)(3)".

(Reference is to HB 1802 as introduced.)

and when so amended that said bill do pass.

Committee Vote: yeas 17, nays 9.

CRAWFORD, Chair

Report adopted.

#### COMMITTEE REPORT

Mr. Speaker: Your Committee on Ways and Means, to which was referred House Bill 1833, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 5, delete lines 28 through 42 begin a new line and insert:

"Year of					
Manufacture	I	II	III	IV	V
1st .....	\$15	\$36	\$50	\$67	\$91
2nd .....	13	31	43	59	79
3rd .....	12	26	35	51	67
4th .....	12	20	28	42	54
5th .....	12	15	20	34	46
6th .....	12	12	15	26	38
7th .....	12	12	12	17	29
8th .....	12	12	12	13	17
9th .....	12	12	12	12	12
10th .....	12	12	12	12	12

and thereafter

Year of					
Manufacture	VI	VII	VIII	IX	X
1st .....	\$119	\$148	\$176	\$214	\$262
2nd .....	105	133	158	192	227
3rd .....	90	111	134	165	199
4th .....	74	92	112	140	171
5th .....	59	73	92	117	146
6th .....	45	54	71	93	120
7th .....	35	44	54	75	99
8th .....	22	29	39	58	81
9th .....	13	16	25	29	39
10th .....	12	12	12	12	12

and thereafter

Year of					
Manufacture	XI	XII	XIII	XIV	XV
1st .....	\$314	\$380	\$447	\$523	\$618
2nd .....	273	330	388	454	537
3rd .....	238	288	336	396	468
4th .....	205	248	274	341	391
5th .....	175	212	224	291	320
6th .....	143	174	181	239	258
7th .....	118	143	144	197	204
8th .....	97	99	97	136	138
9th .....	48	48	47	66	67
10th .....	16	20	23	27	32

and thereafter

Year of					
Manufacture	XVI	XVII	XVIII	XIX	XX
1st .....	\$737	\$879	\$1,045	\$1,235	\$1,425
2nd .....	640	763	907	1,072	1,236
3rd .....	558	658	782	924	1,066
4th .....	481	574	682	806	929
5th .....	410	489	581	687	793
6th .....	337	400	475	562	648
7th .....	278	317	377	445	514
8th .....	203	214	254	300	346
9th .....	99	104	123	146	168
10th .....	39	46	55	64	74

and thereafter

Year of					
Manufacture	XXI	XXII	XXIII	XXIV	XXV
1st .....	\$1,615	\$1,805	\$2,375	\$3,325	\$4,750
2nd .....	1,401	1,566	2,060	2,884	4,120
3rd .....	1,208	1,350	1,777	2,487	3,553
4th .....	1,053	1,177	1,549	2,168	3,097
5th .....	898	1,004	1,321	1,849	2,641
6th .....	734	821	1,080	1,511	2,159
7th .....	582	651	856	1,199	1,712
8th .....	392	439	577	808	1,153
9th .....	190	213	280	391	559
10th .....	84	94	123	173	246"

Delete page 6.

Page 7, delete lines 1 through 7.

(Reference is to HB 1833 as introduced.)  
and when so amended that said bill do pass.  
Committee Vote: yeas 24, nays 1.

CRAWFORD, Chair

Report adopted.

#### COMMITTEE REPORT

Mr. Speaker: Your Committee on Ways and Means, to which was referred House Bill 1896, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 1, line 10, delete "fifty" and insert "**forty**".

Page 1, line 11, delete "(50%)" and insert "**(40%)**".

Page 2, line 2, delete "(2)." and insert "**and one-half (2.5).**".

(Reference is to HB 1896 as introduced.)  
and when so amended that said bill do pass.

Committee Vote: yeas 22, nays 0.

CRAWFORD, Chair

Report adopted.

#### COMMITTEE REPORT

Mr. Speaker: Your Committee on Ways and Means, to which was referred House Bill 1902, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill do pass.

Committee Vote: yeas 21, nays 4.

CRAWFORD, Chair

Report adopted.

#### COMMITTEE REPORT

Mr. Speaker: Your Committee on Agriculture, Natural Resources and Rural Development, to which was referred House Bill 1921, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Delete the title and insert the following:

A BILL FOR AN ACT concerning natural and cultural resources.

Delete everything after the enacting clause and insert the following:

**SECTION 1. [EFFECTIVE JULY 1, 2003] (a) The natural resources study committee established under IC 2-5-5 shall study the following topics concerning deer and deer hunting:**

**(1) Chronic wasting disease.**

**(2) Hunting confined deer.**

**(b) This section expires November 1, 2003.**

(Reference is to HB 1921 as introduced.)  
and when so amended that said bill do pass.

Committee Vote: yeas 12, nays 0.

BISCHOFF, Chair

Report adopted.

#### COMMITTEE REPORT

Mr. Speaker: Your Committee on Agriculture, Natural Resources and Rural Development, to which was referred House Bill 1944, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill do pass.

Committee Vote: yeas 12, nays 0.

BISCHOFF, Chair

Report adopted.

### OTHER BUSINESS ON THE SPEAKER'S TABLE

#### Referrals to Ways and Means

The Speaker announced, pursuant to House Rule 127, that House Bills 1121, 1278, 1523, and 1598 had been referred to the Committee on Ways and Means.

#### PETITION TO CHANGE VOTING RECORD

Mr. Speaker: Pursuant to House Rule 75, I hereby petition to change my voting record on Representative Bosma's second reading amendment to House Bill 1001(1001-6), Roll Call 138, on February 19, 2003. In support of this petition, I submit the following reason:

"I was present and in my seat, but when I attempted to vote, the machine had already been closed. I intended to vote yea."

GUTWEIN

There being a constitutional majority voting in favor of the petition, the petition was adopted. [*Journal Clerk's note: this changes the vote tally for Roll Call 138 to 49 yeas, 51 nays.*]

#### PETITION TO CHANGE VOTING RECORD

Mr. Speaker: Pursuant to House Rule 75, I hereby petition to change my voting record on the third reading of Engrossed House Bill 1417, Roll Call 107, on February 17, 2003. In support of this petition, I submit the following reason:

"I was present and in my seat, but when I attempted to vote, I inadvertently pushed the yea button when I intended to vote nay."

BORROR

There being a constitutional majority voting in favor of the petition, the petition was adopted. [*Journal Clerk's note: this changes the vote tally for Roll Call 107 to 77 yeas, 15 nays.*]

#### HOUSE MOTION

Mr. Speaker: I move that Representatives Reske, Frizzell, and Becker be added as coauthors of House Bill 1174.

HASLER

Motion prevailed.

#### HOUSE MOTION

Mr. Speaker: I move that Representative Kromkowski be added as coauthor of House Bill 1175.

KUZMAN

Motion prevailed.

#### HOUSE MOTION

Mr. Speaker: I move that Representative Thomas be added as coauthor of House Bill 1263.

AVERY

Motion prevailed.

#### HOUSE MOTION

Mr. Speaker: I move that Representative Mays be added as coauthor of House Bill 1431.

L. LAWSON

Motion prevailed.

#### HOUSE MOTION

Mr. Speaker: I move that Representative Thomas be added as coauthor of House Bill 1476.

KERSEY

Motion prevailed.

#### HOUSE MOTION

Mr. Speaker: I move that Representative Lytle be added as coauthor of House Bill 1521.

FRIZZELL

Motion prevailed.

HOUSE MOTION

Mr. Speaker: I move that Representative Frenz be added as coauthor of House Bill 1553.

LIGGETT

Motion prevailed.

HOUSE MOTION

Mr. Speaker: I move that Representative Thomas be added as coauthor of House Bill 1569.

KERSEY

Motion prevailed.

HOUSE MOTION

Mr. Speaker: I move that Representatives Burton and Ruppel be added as coauthors of House Bill 1841.

MAHERN

Motion prevailed.

HOUSE MOTION

Mr. Speaker: I move that Representative Alderman be added as coauthor of House Bill 1842.

MAHERN

Motion prevailed.

HOUSE MOTION

Mr. Speaker: I move that Representative Mays be added as coauthor of House Bill 1849.

L. LAWSON

Motion prevailed.

HOUSE MOTION

Mr. Speaker: I move that Representative Chowning be added as coauthor of House Bill 1955.

THOMPSON

Motion prevailed.

Pursuant to House Rule 60, committee meetings were announced.

On the motion of Representative T. Adams, the House adjourned at 6:00 p.m., this nineteenth day of February, 2003, until Thursday, February 20, 2003, at 10:00 a.m.

B. PATRICK BAUER

Speaker of the House of Representatives

DIANE MASARIU CARTER

Principal Clerk of the House of Representatives